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Company Information / Capital Breakdown

Number of Shares (in thousands)	Last Fiscal Year 12/31/2010
Paid-in Capital	
Common	140,039
Preferred	268,853
Total	408,892
Treasury Shares	
Common	6,786
Preferred	4,155
Total	10,941

Company Information / Cash Dividends

Event	Approval	Type	Date of Payment	Type of Share	Class of Share	Amount per Share (R$/share)
Board of Directors' Meeting	12/29/2010	Interest on Shareholders' Equity	03/15/2011	Common		0.36372
Board of Directors' Meeting	12/29/2010	Interest on Shareholders' Equity	03/15/2011	Preferred	Class A Preferred	0.40010
Board of Directors' Meeting	12/29/2010	Interest on Shareholders' Equity	03/15/2011	Preferred	Class B Preferred	0.40010

Individual Quarterly Financial Information / Balance Sheet - Assets

R$ (in thousands)

Code	Description	3/31/2011	12/31/2010
1	Total Assets	18,636,038	18,677,950
1.01	Current Assets	3,847,435	5,422,224
1.01.01	Cash and Cash Equivalents	1,586,610	3,484,168
1.01.03	Receivables	1,247,837	1,173,565
1.01.03.01	Trade	1,247,837	1,173,565
1.01.04	Inventories	713,071	538,082
1.01.06	Recoverable Taxes	208,860	170,434
1.01.06.01	Current Recoverable Taxes	208,860	170,434
1.01.07	Prepaid Expenses	3,333	4,954
1.01.08	Other Current Assets	87,724	51,021
1.01.08.03	Other	87,724	51,021
1.01.08.03.01	Derivatives Gains	10,196	12,353
1.01.08.03.02	Other Accounts Receivable	31 ,562	13,644
1.01.08.03.03	Receivables / Indemnification for Land Expropriation	5,506	6,279
1.01.08.03.04	Receivables from Properties and Forests sold	10,397	10,230
1.01.08.03.05	Advance to Suppliers	28,862	6,563
1.01.08.03.06	Related Parties	1,201	1,952
1.02	Non-Current Assets	14,788,603	13,255,726
1.02.01	Long-Term Assets	2,600,672	2,333,244
1.02.01.05	Biological Assets	2,061,157	1,809,670
1.02.01.08	Receivables from Related Parties	13,587	811
1.02.01.08.02	Receivables from Subsidiaries	13,587	811
1.02.01.09	Other Non-Current Assets	525,928	522,763
1.02.01.09.03	Derivatives Gains	5,088	2,619
1.02.01.09.04	Recoverable Taxes and Contributions	95,583	96,062
1.02.01.09.05	Advance to Suppliers	263,966	257,828
1.02.01.09.06	Other Receivables	77,586	79,175
1.02.01.09.07	Receivables / Indemnification for Land Expropriation	50,233	50,233
1.02.01.09.08	Judicial Deposits	33,472	36,846
1.02.02	Investments	594,631	580,383
1.02.02.01	Equity Interest	594,631	580,383
1.02.02.01.02	Interest in Subsidiaries	594,631	580,383
1.02.03	Property, Plant and Equipment	11,559,248	10,308,047
1.02.03.01	Operational Property, Plant and Equipment	11,377,897	10,152,376
1.02.03.02	Leased Property, Plant and Equipment	66,131	49,797
1.02.03.03	Construction in Progress	115,220	105,874
1.02.04	Intangible Assets	34,052	34,052
1.02.04.01	Intangible Assets	34,052	34,052
1.02.04.01.02	Goodwill	34,052	34,052

Individual Quarterly Financial Information / Balance Sheet – Liabilities

R$ (in thousands)

Code	Description	3/31/2011	12/31/2010
2	Total Liabilities	18,636,038	18,677,950
2.01	Current Liabilities	2,040,089	2,098,054
2.01.01	Payroll and Related Charges	73,852	69,236
2.01.01.01	Payroll Charges Liabilities	15,708	2,992
2.01.01.02	Labor Liabilities	58,144	66,244
2.01.02	Trade accounts payable	331,541	271,997
2.01.02.01	Domestic Suppliers	317,670	263,715
2.01.02.02	Foreign Suppliers	13,871	8,282
2.01.03	Tax Liabilities	51,171	39,095
2.01.03.01	Federal Tax Liabilities	41 ,092	31,089
2.01.03.02	State Tax Liabilities	8,164	5,837
2.01.03.03	Municipal Tax Liabilities	1,915	2,169
2.01.04	Loans and Financing	1,205,353	1,237,313
2.01.04.01	Loans and Financing	1,149,151	1,194,742
2.01.04.01.01	In Domestic Currency	666,251	688,804
2.01.04.01.02	In Foreign Currency	482,900	505,938
2.01.04.02	Debentures	56,202	42,571
2.01.05	Other Liabilities	378,172	480,413
2.01.05.01	Related Party Liabilities	130,790	135,411
2.01.05.01.02	Debts with Subsidiaries	130,790	135,411
2.01.05.02	Other	247,382	345,002
2.01.05.02.01	Dividends and Interest on Shareholders Equity	577	129,020
2.01.05.02.04	Derivatives Losses	31,910	32,863
2.01.05.02.05	Accounts Payable	93,006	60,345
2.01.05.02.06	Debt from Acquisition of Land and Reforestation	61,141	59,731
2.01.05.02.07	Unrealized Profit	60,748	63,043
2.02	Non-Current Liabilities	7,811,278	7,939,225
2.02.01	Loans and Financing	4,525,122	4,612,646
2.02.01.01	Loans and Financing	3,932,872	4,030,381
2.02.01.01.01	In Domestic Currency	2,537,850	2,542,355
2.02.01.01.02	In Foreign Currency	1,395,022	1,488,026
2.02.01.02	Debentures	592,250	582,265
2.02.02	Other Liabilities	1,149,510	1,204,490
2.02.02.01	Related Party Liabilities	1,084,656	1,120,044
2.02.02.01.02	Debts with Subsidiaries	1,084,656	1,120,044
2.02.02.02	Other	64,854	84,446
2.02.02.02.03	Derivatives Losses	24,446	29,296
2.02.02.02.04	Accounts Payable	10,140	10,352
2.02.02.02.05	Debt from Acquisition of Land and Reforestation	30,268	44,798
2.02.03	Deferred Taxes	1,779,098	1,767,255
2.02.03.01	Deferred Income and Social Contribution Taxes	1,779,098	1,767,255
2.02.04	Provisions	357,548	354,834
2.02.04.01	Provisions for Tax, Pension, Labor and Civil Claims	357,548	354,834
2.02.04.01.01	Provisions for Tax Claims	123,519	119,099
2.02.04.01.02	Provisions for Pension and Labor Claims	41,485	41,305
2.02.04.01.04	Provisions for Civil Claims	4,467	4,387

Individual Quarterly Financial Information / Balance Sheet – Liabilities

R$ (in thousands)

Code	Description	3/31/2011	12/31/2010
2.02.04.01.05	Share-Based Payments	13,554	17,746
2.02.04.01.06	Provision for Actuarial Liabilities	164,917	162,691
2.02.04.01.07	Other Provisions	9,606	9,606
2.03	Equity	8,784,671	8,640,671
2.03.01	Paid-in Capital	2,685,183	2,685,183
2.03.02	Capital Reserves	-161,061	-161,272
2.03.02.04	Options Granted	561	350
2.03.02.05	Treasury Shares	-227,405	-227,405
2.03.02.07	Tax Incentive Reserves	65,783	65,783
2.03.04	Income Reserve	2,666,821	2,666,821
2.03.04.01	Legal Reserve	230,431	230,431
2.03.04.02	Statutory Reserve	286,285	286,285
2.03.04.08	Additional Dividend Proposed	13,113	13,113
2.03.04.11	Capital Increase Reserve	2,136,992	2,136,992
2.03.05	Retained earnings/accumulated losses	143,789	0
2.03.06	Other comprehensive income	3,449,939	3,449,939

Individual Quarterly Financial Information / Statement of Income

R$ (in thousands)

Code	Description	Quarterly ended 03/31/2011	Quarterly ended 03/31/2010
3.01	Net Sales Revenue from Goods and/or Services	1,032,016	920,841
3.02	Cost of Goods Sold and/or Services Rendered	-674,692	-666,737
3.03	Gross Profit	357,324	254,104
3.04	Operating Expense/Income	-156,778	91,486
3.04.01	Selling Expenses	-95,491	-105,356
3.04.02	General and Administrative Expenses	-75,788	-57,997
3.04.04	Other Operating Income	8,174	267,832
3.04.05	Other Operating Expenses	-7,912	-19,668
3.04.06	Equity Pick-up in Subsidiaries and Affiliates	14,239	6,675
3.05	Earnings Before Financial Income and Taxes	200,546	345,590
3.06	Financial Income (Expenses)	-6,751	-147,429
3.06.01	Financial Income	57,814	71,270
3.06.02	Financial Expenses	-64,565	-218,699
3.07	Earnings Before Income Taxes	193,795	198,161
3.08	Income and Social Contribution Taxes	-50,006	-75,172
3.08.01	Current	-31,783	-70,840
3.08.02	Deferred	-18,223	-4,332
3.09	Net Income from Continued Operations	143,789	122,989
3.11	Net Income/Loss for the year	143,789	122,989
3.99	Earnings per Share - (Brazilian Reais/Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Common	0.34015	0.37620
3.99.01.02	Class A Preferred	0.37198	0.41382
3.99.01.03	Class B Preferred	0.37149	0.41381
3.99.02	Diluted Earnings per Share		
3.99.02.01	Common	0.33995	0.37620
3.99.02.02	Class A Preferred	0.37148	0.41343
3.99.02.03	Class B Preferred	0.37149	0.38462

Individual Quarterly Financial Information / Statement of Cash Flows – Indirect Method

R$ (in thousands)

Code	Description	Quarterly ended 03/31/2011	Quarterly ended 03/31/2010
6.01	Net Cash from Operating Activities	77,181	252,508
6.01.01	Cash Generated by Operations	325,766	213,987
6.01.01.01	Net Income for the period	143,789	122,989
6.01.01.02	Depreciation, Depletion and Amortization	144,058	131,573
6.01.01.03	Income on Sale of Permanent Assets	-10,462	-265,361
6.01.01.04	Equity Pick-up in Subsidiaries and Affiliates	-14,239	-6,675
6.01.01.05	Exchange and Monetary Variations, Net	-43,607	82,495
6.01.01.06	Interest Expenses, Net	95,541	86,226
6.01.01.07	Deferred Income and Social Contribution Tax Expenses	18,223	4,332
6.01.01.09	Addition to (Reversal of) Contingencies	4,753	39,795
6.01.01.10	Share-Based Payment Expenses	-3,982	-649
6.01.01.11	Derivative Gains (Losses), Net	-8,308	19,262
6.01.02	Variation in Assets and Liabilities	-248,585	38,521
6.01.02.01	Decrease (Increase) in Accounts Receivable	-31,637	94,901
6.01.02.02	Decrease (Increase) in Inventories	-97,840	-16,102
6.01.02.03	Decrease (Increase)in Recoverable Taxes	-33,393	25,503
6.01.02.04	Decrease (Increase) in Other Current and Non-Current Assets	-17,810	-10,030
6.01.02.05	Settlement of Derivative Operations	7,973	1,186
6.01.02.06	Decrease (Increase) in Trade Accounts Payable	29,988	-16,207
6.01.02.07	Decrease (Increase) in Other Current and Non-Current Liabilities	-32,741	65,933
6.01.02.08	Payment of Interest	-67,520	-120,368
6.01.02.09	Payment of Other Taxes and Contributions	-5,605	13,705
6.02	Net Cash used in Investment Activities	-1,700,846	-57,878
6.02.01	Additions to Property, Plant and Equipment and Biological Assets	-1,717,039	-114,741
6.02.02	Proceeds from the Sale of Assets	16,203	56,863
6.02.03	Additions to Investments	-10	0
6.03	Net Cash used in Financing Activities	-273,893	-247,583
6.03.01	Funding	577,538	850,616
6.03.02	Settlement of Derivative Operations	-5,781	-6,308
6.03.03	Payment of Loans	-717,207	-925,164
6.03.05	Payment of Dividends and Interest on Shareholders' Equity	-128,443	-166,727
6.05	Decrease in Cash and Cash Equivalents	-1,897,558	-52,953
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	3,484,168	2,261,889
6.05.02	Cash and Cash Equivalents at the End of the Period	1,586,610	2,208,936

Individual Quarterly Financial Information / Statement of Changes in Equity - 01/01/2011 to 3/31/2011

R$ (in thousands)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserve	Accumulated Profit/Loss	Other Comprehensive Income	Equity
5.01	Opening Balances	2,685,183	-161,272	2,666,821	0	3,449,939	8,640,671
5.03	Adjusted Opening Balances	2,685,183	-161,272	2,666,821	0	3,449,939	8,640,671
5.04	Equity Transactions with Shareholders	0	211	0	0	0	211
5.04.03	Granted Options	0	211	0	0	0	211
5.05	Total Comprehensive Income	0	0	0	143,789	0	143,789
5.05.01	Net Income for the Period	0	0	0	143,789	0	143,789
5.07	Closing Balances	2,685,183	-161,061	2,666,821	143,789	3,449,939	8,784,671

Individual Quarterly Financial Information / Statement of Changes in Equity - 01/01/2010 to 3/31/2010

R$ (in thousands)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserve	Accumulated Profit/Loss	Other Comprehensive Income	Equity
5.01	Opening Balances	2,054,430	246,147	2,096,889	15,112	3,451,792	7,864,370
5.03	Adjusted Opening Balances	2,054,430	246,147	2,096,889	15,112	3,451,792	7,864,370
5.04	Equity Transactions with Shareholders	0	0	0	-2,945	0	-2,945
5.04.06	Dividends	0	0	0	-2,945	0	-2,945
5.05	Total Comprehensive Income	0	0	0	122,989	0	122,989
5.05.01	Net Income for the Period	0	0	0	122,989	0	122,989
5.07	Closing Balances	2,054,430	246,147	2,096,889	135,156	3,451,792	7,984,414

Individual Quarterly Financial Information / Statement of Value Added

R$ (in thousands)

Code	Description	Quarterly ended 03/31/2011	Quarterly ended 03/31/2010
7.01	Income	1,231,170	1,285,072
7.01.01	Sale of Goods, Products and Services	1,172,783	1,033,356
7.01.02	Other Income	10,822	257,049
7.01.03	Income from Construction of Own Assets	47,692	12,555
7.01.04	Reversal of/Allowance for Doubtful Accounts	-127	-17,888
7.02	Input Acquired from Third-Parties	-768,001	-691,978
7.02.01	Cost of Products Sold and Services Rendered	-489,883	-361,212
7.02.02	Supplies, Electricity, Outsourced Services and Others	-278,108	-330,771
7.02.03	Loss/Recovery of Assets	-10	5
7.03	Gross Added Value	463,169	593,094
7.04	Retentions	-144,058	-131,573
7.04.01	Depreciation, Amortization and Depletion	-144,058	-131,573
7.05	Net Added Value Produced	319,111	461,521
7.06	Added Value from Transfers	72,053	77,945
7.06.01	Equity Pick-up in Subsidiaries and Affiliates	14,239	6,675
7.06.02	Financial Income	57,814	71,270
7.07	Total Added Value to Distribute	391,164	539,466
7.08	Distribution of Value Added	391,164	539,466
7.08.01	Personnel	132,301	115,286
7.08.01.01	Direct Compensation	106,115	88,888
7.08.01.02	Benefits	20,219	21,565
7.08.01.03	F.G.T.S. (Unemployment Compensation Fund)	5,967	4,833
7.08.02	Taxes, Fees and Contributions	29,044	65,853
7.08.02.01	Federal	53,135	82,119
7.08.02.02	State	-26,086	-18,177
7.08.02.03	Municipal	1,995	1,911
7.08.03	Value Distributed to Providers of Capital	84,848	235,098
7.08.03.01	Interest Rates	138,533	137,463
7.08.03.02	Rental	20,249	16,379
7.08.03.03	Other	-73,934	81,256
7.08.03.03.01	Monetary Variation Losses	-73,968	81,236
7.08.03.03.02	Other	34	20
7.08.04	Value Distributed to Shareholders	143,789	122,989
7.08.04.03	Retained Earnings / Loss for the Period	143,789	122,989
7.08.05	Other	1,182	240
7.08.05.01	Other Taxes, Fees and Contributions	1,182	240

Consolidated Quarterly Financial Information / Balance Sheet - Assets

R$ (in thousands)

Code	Description	3/31/2011	12/31/2010
1	Total Assets	18,902,113	18,913,509
1.01	Current Assets	3,870,131	5,423,823
1.01.01	Cash and Cash Equivalents	1,830,245	3,735,438
1.01.03	Receivables	854,714	792,057
1.01.03.01	Trade	854,714	792,057
1.01.04	Inventories	870,981	658,821
1.01.06	Recoverable Taxes	211,258	171,748
1.01.06.01	Current Recoverable Taxes	211,258	171,748
1.01.07	Prepaid Expenses	3,897	5,777
1.01.08	Other Current Assets	99,036	59,982
1.01.08.03	Other	99,036	59,982
1.01.08.03.01	Derivatives Gains	15,578	15,754
1.01.08.03.02	Other Accounts Receivable	38,693	21,156
1.01.08.03.03	Receivables / Indemnification for Land Expropriation	5,506	6,279
1.01.08.03.04	Receivables from Properties and Forests sold	10,397	10,230
1.01.08.03.05	Advance to Suppliers	28,862	6,563
1.02	Non-Current Assets	15,031,982	13,489,686
1.02.01	Long-Term Assets	2,619,333	2,381,282
1.02.01.05	Biological Assets	2,062,053	1,811,094
1.02.01.06	Deferred Taxes	5,363	26,946
1.02.01.06.01	Deferred Income and Social Contribution Taxes	5,363	26,946
1.02.01.09	Other Non-Current Assets	551,917	543,242
1.02.01.09.03	Derivatives Gains	19,477	11,518
1.02.01.09.04	Recoverable Taxes and Contributions	95,631	96,110
1.02.01.09.05	Advance to Suppliers	263,966	257,828
1.02.01.09.06	Other Receivables	85,294	86,896
1.02.01.09.07	Receivables / Indemnification for Land Expropriation	50,233	50,233
1.02.01.09.08	Judicial Deposits	37,316	40,657
1.02.03	Property, Plant and Equipment	12,245,796	10,938,493
1.02.03.01	Operational Property, Plant and Equipment	12,064,445	10,770,834
1.02.03.02	Leased Property, Plant and Equipment	66,131	49,797
1.02.03.03	Construction in Progress	115,220	117,862
1.02.04	Intangible Assets	166,853	169,911
1.02.04.02	Goodwill	166,853	169,911

Consolidated Quarterly Financial Information / Balance Sheet – Liabilities

R$ (in thousands)

Code	Description	3/31/2011	12/31/2010
2	Total Liabilities	18,902,113	18,913,509
2.01	Current Liabilities	2,015,582	2,075,243
2.01.01	Payroll and Related Charges	75,000	71,111
2.01.01.01	Payroll Charges Liabilities	15,708	2,990
2.01.01.02	Labor Liabilities	59,292	68,121
2.01.02	Trade accounts payable	334,983	277,107
2.01.02.01	Domestic Suppliers	317,670	263,715
2.01.02.02	Foreign Suppliers	17,313	13,392
2.01.03	Tax Liabilities	55,961	44,219
2.01.03.01	Federal Tax Liabilities	45,883	36,212
2.01.03.02	State Tax Liabilities	8,163	5,838
2.01.03.03	Municipal Tax Liabilities	1,915	2,169
2.01.04	Loans and Financing	1,341,350	1,382,698
2.01.04.01	Loans and Financing	1,285,148	1,340,127
2.01.04.01.01	In Domestic Currency	676,514	741,738
2.01.04.01.02	In Foreign Currency	608,634	598,389
2.01.04.02	Debentures	56,202	42,571
2.01.05	Other Liabilities	208,288	300,108
2.01.05.02	Other	208,288	300,108
2.01.05.02.01	Dividends and Interest on Shareholders' Equity Payable	577	129,020
2.01.05.02.04	Derivatives Losses	34,395	37,390
2.01.05.02.05	Accounts Payable	104,392	68,336
2.01.05.02.06	Debt from Acquisition of Land and Reforestation	68,924	65,362
2.02	Non-Current Liabilities	8,101,860	8,197,595
2.02.01	Loans and Financing	5,648,713	5,773,697
2.02.01.01	Loans and Financing	5,056,463	5,191,432
2.02.01.01.01	In Domestic Currency	2,578,634	2,585,927
2.02.01.01.02	In Foreign Currency	2,477,829	2,605,505
2.02.01.02	Debentures	592,250	582,265
2.02.02	Other Liabilities	188,269	151,681
2.02.02.02	Other	188,269	151,681
2.02.02.02.03	Accounts Payable	10,140	10,352
2.02.02.02.05	Derivatives Losses	24,715	29,891
2.02.02.02.06	Debt from Acquisition of Land and Reforestation	153,414	111,438
2.02.03	Deferred Taxes	1,899,909	1,909,352
2.02.03.01	Deferred Income and Social Contribution Taxes	1,899,909	1,909,352
2.02.04	Provisions	364,969	362,865
2.02.04.01	Provisions for Tax, Pension, Labor and Civil Claims	364,969	362,865
2.02.04.01.01	Provisions for Tax Claims	123,519	119,100
2.02.04.01.02	Provisions for Pension and Labor Claims	48,906	49,340
2.02.04.01.04	Provisions for Civil Claims	4,467	4,387
2.02.04.01.05	Share-Based Payments	13,554	17,746
2.02.04.01.06	Provision for Actuarial Liabilities	164,917	162,691
2.02.04.01.07	Other Provisions	9,606	9,601
2.03	Equity	8,784,671	8,640,671
2.03.01	Paid-in Capital	2,685,183	2,685,183

Consolidated Quarterly Financial Information / Balance Sheet – Liabilities

R$ (in thousands)

Code	Description	3/31/2011	12/31/2010
2.03.02	Capital Reserves	-161,061	-161,272
2.03.02.04	Options Granted	561	350
2.03.02.05	Treasury Shares	-227,405	-227,405
2.03.02.07	Tax Incentive Reserves	65,783	65,783
2.03.04	Income Reserve	2,666,821	2,666,821
2.03.04.01	Legal Reserve	230,431	230,431
2.03.04.02	Statutory Reserve	286,285	286,285
2.03.04.08	Additional Dividend Proposed	13,113	13,113
2.03.04.11	Capital Increase Reserve	2,136,992	2,136,992
2.03.05	Retained earnings/accumulated losses	143,789	0
2.03.06	Other comprehensive income	3,449,939	3,449,939

Consolidated Quarterly Financial Information / Income Statements

R$ (in thousands)

Code	Description	Quarterly ended 03/31/2011	Quarterly ended 03/31/2010
3.01	Net Sales Revenue from Goods and/or Services	1,057,149	970,604
3.02	Cost of Goods Sold and/or Services Rendered	-740,630	-734,166
3.03	Gross Profit	316,519	236,438
3.04	Operating Expense/Income	-119,168	134,041
3.04.01	Selling Expenses	-47,165	-60,873
3.04.02	General and Administrative Expenses	-77,861	-58,284
3.04.02.01	Administrative Expenses	-77,861	-58,284
3.04.04	Other Operating Income	10,514	269,533
3.04.05	Other Operating Expenses	-4,656	-16,335
3.05	Earnings Before Financial Income and Taxes	197,351	370,479
3.06	Financial Income (Expenses)	-1,372	-171,065
3.06.01	Financial Income	74,670	72,661
3.06.02	Financial Expenses	-76,042	-243,726
3.07	Earnings Before Income Taxes	195,979	199,414
3.08	Income and Social Contribution Taxes	-52,190	-76,425
3.08.01	Current	-33,679	-72,039
3.08.02	Deferred	-18,511	-4,386
3.09	Net Income from Continued Operations	143,789	122,989
3.11	Consolidated Net Income/Loss for the Period	143,789	122,989
3.11.01	Attributable to Controlling Shareholders	143,789	122,989
3.99	Earnings per Share - (Brazilian Reais/Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Common	0.34015	0.37620
3.99.01.02	Class A Preferred	0.37198	0.41382
3.99.01.03	Class B Preferred	0.37149	0.41381
3.99.02	Diluted Earnings per Share		
3.99.02.01	Common	0.33995	0.37620
3.99.02.02	Class A Preferred	0.37148	0.41343
3.99.02.03	Class B Preferred	0.37149	0.38462

Consolidated Quarterly Financial Information / Statement of Cash Flows – Indirect Method

R$ (in thousands)

Code	Description	Quarterly ended 03/31/2011	Quarterly ended 03/31/2010
6.01	Net Cash from Operating Activities	174,557	169,965
6.01.01	Cash Generated by Operations	330,948	237,541
6.01.01.01	Net Income for the Period	143,789	122,989
6.01.01.02	Depreciation, Depletion and Amortization	146,061	133,687
6.01.01.03	Income on Sale of Permanent Assets	-10,462	-265,361
6.01.01.05	Exchange and Monetary Variations, Net	-64,520	82,712
6.01.01.06	Interest Expenses, Net	113,524	87,700
6.01.01.07	Deferred Income and Social Contribution Tax Expenses	18,511	4,386
6.01.01.09	Addition to (Reversal of) Contingencies	4,139	39,568
6.01.01.10	Share-Based Payment Expenses	-3,982	-649
6.01.01.11	Derivative Gains (Losses), Net	-16,112	32,509
6.01.02	Variation in Assets and Liabilities	-156,391	-67,576
6.01.02.01	Decrease (Increase) in Accounts Receivable	-20,021	42,871
6.01.02.02	Decrease (Increase) in Inventories	-135,011	-44,441
6.01.02.03	Decrease (Increase)in Recoverable Taxes	-34,477	25,435
6.01.02.04	Decrease (Increase) in Other Current and Non-Current Assets	15,083	-11,079
6.01.02.05	Settlement of Derivative Operations	7,973	1,186
6.01.02.06	Increase (Decrease) in Trade Accounts Payable	28,320	-19,372
6.01.02.07	Increase (Decrease)Increase in Other Current and Non-Current Liabilities	57,462	37,575
6.01.02.08	Payment of Interest	-67,520	-121,887
6.01.02.09	Payment of Other Taxes and Contributions	-7,491	23,103
6.01.02.10	Payment of Income and Social Contribution Taxes	-709	-967
6.02	Net Cash used in Investment Activities	-1,763,241	-54,232
6.02.01	Additions to Property, Plant and Equipment and Biological Assets	-1,779,434	-111,187
6.02.02	Proceeds from the Sale of Assets	16,203	56,955
6.02.03	Additions to Investments	-10	0
6.03	Net Cash used in Financing Activities	-312,487	-254,315
6.03.01	Funding	577,538	851,926
6.03.02	Settlement of Derivative Operations	-8,151	-11,013
6.03.03	Payment of Loans	-753,431	-928,501
6.03.05	Payment of Dividends and Interest on Shareholders' Equity	-128,443	-166,727
6.04	Exchange variation on cash and cash equivalents	-4,022	4,192
6.05	Decrease in Cash and Cash Equivalents	-1,905,193	-134,390
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	3,735,438	2,533,285
6.05.02	Cash and Cash Equivalents at the End of the Period	1,830,245	2,398,895

Consolidated Quarterly Financial Information / Statement of Changes in Equity - 01/01/2011 to 3/31/2011

R$ (in thousands)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserve	Accumulated Profit/Loss	Other Comprehensive Income	Equity	Non controlling shareholders	Consolidated Equity
5.01	Opening Balances	2,685,183	-161,272	2,666,821	0	3,449,939	8,640,671	0	8,640,671
5.03	Adjusted Opening Balances	2,685,183	-161,272	2,666,821	0	3,449,939	8,640,671	0	8,640,671
5.04	Equity Transactions with Shareholders	0	211	0	0	0	211	0	211
5.04.03	Granted Options	0	211	0	0	0	211	0	211
5.05	Total Comprehensive Income	0	0	0	143,789	0	143,789	0	143,789
5.05.01	Net Income for the Period	0	0	0	143,789	0	143,789	0	143,789
5.07	Closing Balances	2,685,183	-161,061	2,666,821	143,789	3,449,939	8,784,671	0	8,784,671

Consolidated Quarterly Financial Information / Statement of Changes in Equity - 01/01/2010 to 3/31/2010

R$ (in thousands)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserve	Accumulated Profit/Loss	Other Comprehensive Income	Equity	Non controlling shareholders	Consolidated Equity
5.01	Opening Balances	2,054,430	246,147	2,096,889	15,112	3,451,792	7,864,370	0	7,864,370
5.03	Adjusted Opening Balances	2,054,430	246,147	2,096,889	15,112	3,451,792	7,864,370	0	7,864,370
5.04	Equity Transactions with Shareholders	0	0	0	-2,945	0	-2,945	0	-2,945
5.04.06	Dividends	0	0	0	-2,945	0	-2,945	0	-2,945
5.05	Total Comprehensive Income	0	0	0	122,989	0	122,989	0	122,989
5.05.01	Net Income for the Period	0	0	0	122,989	0	122,989	0	122,989
5.07	Closing Balances	2,054,430	246,147	2,096,889	135,156	3,451,792	7,984,414	0	7,984,414

Consolidated Quarterly Financial Information / Statement of Value Added

R$ (in thousands)

Code	Description	Quarterly ended 03/31/2011	Quarterly ended 03/31/2010
7.01	Income	1,261,898	1,339,772
7.01.01	Sale of Goods, Products and Services	1,197,916	1,083,119
7.01.02	Other Income	16,418	262,083
7.01.03	Income from Construction of Own Assets	47,692	12,555
7.01.04	Reversal of/Allowance for Doubtful Accounts	-128	-17,985
7.02	Input Acquired from Third-Parties	-781,646	-708,455
7.02.01	Cost of Products Sold and Services Rendered	-553,948	-426,741
7.02.02	Supplies, Electricity, Outsourced Services and Others	-227,688	-281,719
7.02.03	Loss/Recovery of Assets	-10	5
7.03	Gross Added Value	480,252	631,317
7.04	Retentions	-146,061	-133,687
7.04.01	Depreciation, Amortization and Depletion	-146,061	-133,687
7.05	Net Added Value Produced	334,191	497,630
7.06	Added Value from Transfers	74,670	72,661
7.06.02	Financial Income	74,670	72,661
7.07	Total Added Value to Distribute	408,861	570,291
7.08	Distribution of Value Added	408,861	570,291
7.08.01	Personnel	135,172	117,690
7.08.01.01	Direct Compensation	108,480	90,879
7.08.01.02	Benefits	20,710	21,864
7.08.01.03	F.G.T.S. (Unemployment Compensation Fund)	5,982	4,833
7.08.01.04	Other	0	114
7.08.02	Taxes, Fees and Contributions	32,108	69,015
7.08.02.01	Federal	56,199	85,209
7.08.02.02	State	-26,086	-18,105
7.08.02.03	Municipal	1,995	1,911
7.08.03	Value Distributed to Providers of Capital	96,610	260,357
7.08.03.01	Interest Rates	156,696	155,039
7.08.03.02	Rental	20,534	16,611
7.08.03.03	Other	-80,620	88,707
7.08.03.03.01	Monetary Variation Losses	-80,654	88,687
7.08.03.03.02	Other	34	20
7.08.04	Value Distributed to Shareholders	143,789	122,989
7.08.04.03	Retained Earnings / Loss for the Period	143,789	122,989
7.08.05	Other	1,182	240
7.08.05.01	Other Taxes, Fees and Contributions	1,182	240

**** All amounts in thousands of reais, except otherwise indicated****

1 Company Information

The core business of Suzano Papel e Celulose S.A. (hereinafter referred to as the Company or Suzano) and its subsidiaries, consists of the manufacturing and trading in Brazil and abroad of hardwood eucalyptus pulp and paper, in addition to the formation and exploitation of eucalyptus forests for its own use and sale to third parties. The Company is a corporation domiciled in Brazil and its shares are traded at BM&F Bovespa. Company headquarters are located in the city of Salvador, state of Bahia. The Company is controlled by Suzano Holding S.A., which holds 88% interest in the common shares of its capital stock.

The Company has manufacturing plants in the states of Bahia and São Paulo. The Company uses direct sales and its foreign subsidiaries to trade its products in the international market.

1.1 Major events in the quarters ended March 31, 2011 and 2010:

a) 50% Acquisition of Consórcio Paulista de Papel e Celulose's net assets ("Conpacel") and KSR's operations

On January 31, 2011, the Company concluded the transaction to buy the interest held by Fibria Celulose S.A. ("Fibria") in the net assets of Consórcio Paulista de Papel e Celulose ("Conpacel") for R$1.450 million fully paid in currency. On February 28, 2011, the Company made an advance payment of R$50 million for the acquisition of KSR's paper distribution operations. The Company will take control of these net assets on January 31 and February 28, 2011, respectively.

b) Disposal of Land and Forests

On March 31, 2010, the Company recorded a gain amounting to R$262,996 obtained from the sale of approximately 50 thousand hectares in the state of Minas Gerais and nearly 13 thousand hectare-eucalyptus plantation. The disposal was made through the sale of units of interest held by special purpose entities Turmalina Silvicultura e Participações Ltda. and Vale do Jequitinhonha Silvicultura e Participações Ltda., owners of the assets. In addition, the Company recorded a provision for contractual liabilities as a result of this operation amounting to R$9,606.

2 Basis of preparation and presentation of the quarterly financial information

2.1. Basis of preparation of the individual and consolidated quarterly financial information

The Company's individual and consolidated quarterly financial information, for the periods ending March 31, 2011 and 2010 were prepared and are being presented in accordance with Accounting Pronouncement CPC 21 (Interim Financial Reporting) and in accordance with International Accounting Standard (IAS) 34, observing the provisions contained in Circular Letter/CVM/SNC/SEP 003/2011 from April 28, 2011.

The individual financial statements for the year ended December 31, 2010 were prepared according to the accounting practices adopted in Brazil, which include the rules issued by Brazilian Securities and Exchange Commission ("CVM") and the Pronouncements, Guidelines and Interpretations issued by Brazilian FASB ("CPC").

The consolidated financial statements for the year ended December 31, 2010 were prepared according to the accounting practices adopted in Brazil which include the rules issued by CVM and CPCs which are in conformity with the International Financial Reporting Standards (IFRS*)* issued by the International Accounting Standard Board ("IASB").

In the individual financial statements, the investments in subsidiaries are measured under the equity method, while they would be measured at cost or fair value for the purpose of financial statements issued by IASB.

However, there are no differences between consolidated equity and consolidated net income reported by the Company and individual equity and individual net income of the controlling entity in its individual quarterly financial information.

Company Management authorized the issue of these financial statements on May 10, 2011.

2.2. New standards, pronouncements, reviews and interpretations

The following standards, technical pronouncements, reviews and interpretations were approved and issued up to the disclosure date of these quarterly financial information, which are applicable to the fiscal years ended as of December 2010.

- The standards below reflect IASB's changes incorporated into related CPCs. They provide certain wording adjustments so as to produce the same accounting effects of the related international financial reporting standard. These new pronouncements do not produce any effects on the Company:

- CPC 1 (R1) – Impairment of assets (IAS 36)
- CPC 2 (R2) – The Effects of changes in foreign exchange rates (IAS 21)
- CPC 3 (R2) – Statement of cash flows (IAS 7)
- CPC 5 (R1) – Related party disclosures (IAS 24)
- CPC 6 (R1) – Leases (IAS 17)
- CPC 7 (R1) – Accounting for government grants and disclosure of government assistance (IAS 20 and SIC nº 10)

- The standards below reflect IASB's changes incorporated into related CPC's. They provide certain wording adjustments so as to produce the same accounting effects of the related international financial reporting standard. The Company applied said pronouncements to these quarterly financial information:

  - CPC 37 (R1) – First-time adoption of the international financial reporting standards (IFRS 1)
  - CPC 41 – Earnings per share (IAS 33)

- The Interpretations below shall not apply to Company activities; therefore, they do not produce any effects on these quarterly financial information:

  - Technical Interpretation ICPC 13 – Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
  - Technical Interpretation ICPC 15 – Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment.

- The standards below can be found in the public audience phase and are being analyzed by the Board of Directors to determine eventual impacts on the quarterly financial information:

  - CPC 15 (R1) – Business Combinations
  - CPC 18 (R1) - Investment in associates
  - CPC 19 (R1) – Interests in joint ventures
  - CPC 35 (R1) – Separate financial statements
  - CPC 36 (R2) – Consolidated financial statements

- **IAS 24 Reporting requirements for governmental entities and related party disclosures (Reviewed) –** It simplifies the reporting requirements for governmental entities and clarifies the definition of the term related party. The reviewed standard discusses aspects, which according to the previous reporting requirements and definition of related party, were extremely complex and difficult to be applied in practice, mainly in environments with extensive government control, offering partial exemption to governmental entities and a reviewed definition of the related party concept. This amendment was issued in November 2009 and effective for the fiscal years starting as of January 1, 2011. This change will not produce any effects on the Company's quarterly financial information.

- **IFRS 9 Financial Instruments – Classification and measurement -** IFRS 9 concludes the first part of the project to replace “IAS 39 Financial Instruments: Recognition and Measurement”. IFRS 9 uses a simple approach to determine if a financial asset is measured at amortized cost or fair value, based on how an entity manages its financial instruments (its business model) and the contractual cash flows, which is a characteristic of the financial assets. The standard also requires the adoption of only one method to determine the impairment of assets. This standard is applicable for the fiscal years starting as of January 1, 2013. The Company does not expect that this change will produce any material effect on its consolidated quarterly financial information.

- **IFRIC 14 Prepayments of a minimum funding requirement –** This amendment only applies to those situations in which an entity is subject to minimum funding requirements and anticipates contributions in order to cover these requirements. This amendment allows this entity to record the benefit of this prepayment as an asset. This amendment is effective for the fiscal years starting as of January 1, 2011 and will not produce any effects on the Company’s consolidated quarterly financial information.

- **IFRIC 19 Extinguishing financial liabilities with equity instruments -** IFRIC 19 was issued in November 2009 and was applicable as of July 1, 2010, and its early application is allowed. This interpretation clarifies the IFRS requirements when an entity renegotiates the conditions of a financial liability with its creditor and the latter accepts entity shares or other equity instruments in order to settle the financial liability in whole or in part. The Company does not expect IFRIC 19 l to produce any effects on its consolidated financial statements.

- **IFRS improvements–** In May 2010, IASB issued clarifications to the IFRS standards which will be effective as of January 1, 2011. Below, the main clarifications that could produce any effects on the Company:

    - IFRS 3 – Business combination;
    - IFRS 7 –Financial Instruments - Disclosures;
    - IAS 1 – Presentation of Financial Statements.

2.3. Application of the new accounting practices

The main changes in the accounting practices promoted by the first-time adoption of CPC 37 (R1), other CPC’s and interpretations on the transition date January 1, 2009, were the following:

a) Deemed cost

This corresponds to the application of new deemed cost to certain classes of property, plant and equipment, duly supported by asset appraisal reports prepared by independent experts, which included certain units of the Company and assets of its subsidiary Comercial e Agrícola Paineiras Ltda. (“Paineiras”).

As a result of the adjustment made on the assets of Conpacel resulting from acquisition of subsidiary Ripasa, the Company applied CPC 1 (R1) – Impairment of Assets on the intangible assets related to this company and recorded a provision for impairment of goodwill recorded on that date, amounting to R$467,410.

Upon applying deemed cost, the new carrying amount of land and farms of subsidiary Paineiras amounted to R$356,642 (R$235,383 net of deferred taxes).

The adjustments to deemed cost, net of deferred income and social contribution taxes were recorded in a specific account under Equity, named 'Other comprehensive income'.

b) Biological assets - Forests

These are represented by eucalyptus forests, which were measured at fair value, as set forth by CPC 29 – Agriculture. According to the previous accounting practices, these assets were recorded at the historical formation cost.

c) Actuarial liabilities

During the transition to the new accounting practices, the Company reassessed the accounting treatment given to actuarial gains or losses. Previously, these were directly recognized in the income statement and upon adopting CPC 33 – Employee Benefits, the Company changed its accounting practice recognizing actuarial gains and losses in Equity, prospectively.

d) Elimination of unrealized profits in sales transactions between parent company and its subsidiaries

According to ICPC 9 – Individual, Consolidated and Separate Financial Statements and Application of the Equity Method, the unrealized profits deriving from operations between the parent company and its subsidiaries shall be eliminated net of taxes, if applicable, when preparing the parent company's individual quarterly financial information. Previously, as authorized by CVM Rule No. 247/96, the Company did not carry out these removals in its individual quarterly financial information, but in the consolidated quarterly financial information. The Company applied this ICPC to the parent company's quarterly financial information.

e) Reclassifications

In order to comply with CPC referring to the Framework for the Preparation and Presentation of Financial Statements, the Company reclassified certain accounting balances.

Credit balances deriving from vendor transactions were reclassified from Trade Accounts Receivable to Loans and Financing (Note 17). The balances from prepaid vacation, 13th monthly salary pay and other balances recoverable by the Company upon the liability settlement were reclassified from Other Current Assets to Other Liabilities with a view to reporting the net balances, if applicable.

f) Earnings per share

Earnings per share are now stated based on net income for the period and on the weighted average of outstanding shares during the period, excluding treasury shares. Diluted earnings per share are now stated taking into account the potential effect deriving from the stock options related to a share-based compensation plan and that provided for in the 4th issue debentures agreement that may dilute results through increase in the number of shares.

g) Segment information

The Company is disclosing segment information according to its current business model, divided into pulp and paper (Note 29).

h) Deferred income and social contribution taxes

Deferred income and social contribution taxes were calculated over the adjustments deriving from adoption of new accounting practices, based on the nominal rate of these taxes.

According to CPC 32 - Income Taxes, deferred tax assets and liabilities are presented in net amounts when the Company and/or its subsidiaries are legally entitled to this offset, stated as net amount in non-current assets or liabilities.

2.4. Consolidated interim quarterly financial information

The main consolidation procedures are:

- Elimination of intercompany asset and liability account balances;
- Elimination of interest in capital, reserves and retained earnings of consolidated companies;
- Elimination of balances from revenues and expenses, as well as unrealized profit deriving from intercompany transactions;
- Calculation of taxes on unrealized profit amounts, stated as deferred taxes in the consolidated balance sheets.

The base date of the subsidiaries' interim quarterly financial information included in the consolidation coincides with that of the parent company.

As required by CPC 19 – Interest in Joint Ventures, presented below is the main financial information related to Asapir Produção Florestal e Comércio Ltda. ("Asapir"). Asapir was consolidated proportionally according to the shareholders' agreement with Fibria.

	Asapir	
Balance sheet	**3/31/2011**	**12/31/2010**
Assets		
Current	20,920	21,397
Non-current	38,384	38,629
Long-term assets	30,187	30,432
Permanent assets	8,197	8,197
Property, plant and equipment	8,197	8,197
	59,304	**60,026**
Liabilities		
Current	1,498	1,519
Non-current	14,601	15,830
Shareholders' equity	43,205	42,677
	59,304	**60,026**

	Quarterly ended	Quarterly ended
Statement of income	**3/31/2011**	**3/31/2010**
Gross profit	-	-
Net operating revenues (expenses)	834	(784)
Operating income (loss)	834	(784)
Deferred income and social contribution taxes	(307)	338
Income (loss) for the period	**527**	**(446)**

3 Summary of significant accounting practices

3.1. Income statements

Sales revenues are stated at their net amounts excluding taxes and discounts incurred on sales. Sales and expenses are recorded on an accrual basis. Sales of products are recognized in the income statement when their amounts can be reliably measured, all risks and rewards inherent to the product are transferred to the buyer, the Company does not have more control or responsibility over the goods sold and a flow of economic benefits is likely to be generated in favor of the Company. Revenues are not recognized if there is significant uncertainty as to their realization. Interest income and expense are recognized by the effective interest rate method as financial income or expenses.

3.2. Investments and translation of foreign-currency-denominated balances

a) Investments, functional currency and presentation of the quarterly financial information

The Company's functional currency is the Brazilian Real (BRL), same currency used in the preparation and presentation of unconsolidated and consolidated quarterly financial information. The quarterly financial information of each subsidiary, which are also those used as basis of evaluation of investments by the equity method, are prepared based on each entity's functional currency.

Concerning foreign subsidiaries, their monetary assets and liabilities are translated from their functional currency into Brazilian Reais, using the exchange rates at balance sheets closing dates and respective revenues and expenses accounts are calculated at the monthly average rates of the periods. Concerning non-monetary assets and liabilities, they are translated from their functional currency into Brazilian Reais at the exchange rate of the accounting transaction date (historical rate). These subsidiaries are valued by the equity method, whose results are recognized at the proportion of the Company's investments.

b) Transactions denominated in foreign currency

Monetary assets and liabilities denominated in foreign currency are translated into the functional currency (Brazilian Real- BRL) using the exchange rate effective at the respective balance sheets dates. Gains and losses resulting from the adjustment of these assets and liabilities, determined between the exchange rate effective at transaction date and closing dates are recognized as financial income or expenses in the income statement.

The exchange rates applied when translating the quarterly financial information of foreign subsidiaries into the reporting currency of the quarterly financial information are the following:

Currency	Name	Country	Final rate		Average rate	
			3/31/2011	12/31/2010	3/31/2011	3/31/2010
USD	U.S. Dollar	United States	**1.6287**	**1.6662**	**1.6674**	**1.8040**
CHF	Swiss Franc	Switzerland	**1.7779**	**1.7828**	**1.7719**	**1.7056**
EUR	Euro	European Union	**2.3129**	**2.2280**	**2.2811**	**2.4951**
GBP	Pound Sterling	United Kingdom	**2.6172**	**2.5876**	**2.6712**	**2.8140**
ARS	Argentine Peso	Argentina	**0.4002**	**0.4189**	**0.4097**	**0.4638**

3.3. Financial instruments

Financial instruments are recognized as of the date the Company becomes a party to financial instruments contractual provisions. These are initially recorded at fair value, plus transaction costs which are directly attributable to their acquisition or issue, except for the financial assets and liabilities classified under the fair value category through profit or loss, where these costs are directly recorded in the income statement for the period. Their subsequent measure occurs at every balance sheet date according to the rules set forth for each type of financial assets and liabilities classification. The Company does not adopt hedge accounting as required by CPC 38, 39 and 40.

3.3.1.Financial assets

These fall into the categories below according to the purpose for which they were acquired or issued:

a) Financial assets measured at fair value through profit or loss

These include financial assets held for trading and those assets designated upon initial recognition at fair value through profit or loss and derivatives. These are classified as held for trading if originated with the purpose of sale or repurchase in the short term. These are measured at fair value at every balance sheet date. Interest rates, monetary restatement, exchange variation and those variations deriving from fair value measurement are recognized as financial income or expenses in the income statement when incurred.

b) Loans (granted) and receivables

These include non-derivative financial assets with fixed or determinable payments, but not quoted on the active market. After initial recognition, these are measured at amortized cost through the effective interest rate method. Interest rates, monetary restatement, exchange variation, less impairment, when applicable, are recognized as financial income or expenses in the income statement when incurred.

The Company did not identify any financial assets that would be classified as held-to-maturity investments.

3.3.2. Financial liabilities:

These fall into the categories below according to the nature of financial instruments contracted or issued:

a) Financial liabilities measured at fair value through profit or loss

These include financial liabilities usually traded before maturity, liabilities designated upon initial recognition at fair value through profit or loss and derivatives. They are measured at fair value at every balance sheet date. Interest rates, monetary restatement, exchange variation and those variations deriving from fair value valuation, where applicable, are recognized in the income statement when incurred.

b) Financial liabilities not measured at fair value

Non-derivative financial liabilities that are not usually traded before maturity. After initial recognition, they are measured at amortized cost through the effective interest rate method. Interest rates, monetary restatement and exchange variation, where applicable, are recognized in the income statement when incurred.

3.3.3. Fair value

The fair value of financial instruments actively traded on the organized markets is determined based on the market quotes at balance sheet closing dates. In case there is lack of an active market, fair value is determined through valuation techniques. These techniques include the use of recent arm's length observable market transactions, benchmark to the fair value of similar financial instruments, discounted cash flows analysis or other valuation models.

3.4. Cash and cash equivalents

These include cash, positive balances in bank accounts, investments in marketable securities highly liquid or redeemable within 90 days as of balance sheet dates and posing insignificant risk of change in fair value. Marketable securities denominated as cash and cash equivalents are classified in the "financial assets at fair value through profit or loss" category.

3.5. Trade accounts receivable

These are classified in the financial instruments category "loans (granted) and receivables", stated at net realizable value, including currency adjustment when these are denominated in foreign currency and adjusted by allowance for doubtful accounts, which is defined in an amount deemed sufficient by management to cover losses, if any, on these accounts receivable realization.

3.6. Inventories

These are stated at the average acquisition or production cost, including depletion of biological assets, not exceeding their realizable value. Provisions for inventory losses (for low turnover or obsolescence, etc) are set up when deemed necessary by management.

3.7. Biological assets

These are eucalyptus forests for the supply of timber used in the pulp and paper manufacturing process. An insignificant portion of these timber resources is available for sale to third parties.

Reforestation is treated as biological assets within the scope of CPC 29, and they are recorded and stated in the quarterly financial information at fair value.

3.8. Property, plant and equipment

These are recorded at cost of acquisition, buildup or construction, including interest and other financial charges incurred during the project design or development.

At transition date to IFRS, the Company and its subsidiary Comercial Agrícola Paineiras Ltda., applied the requirements of CPC 37 (RI) and in compliance with the Interpretation ICPC 10 – Interpretation on the First-Time Application to the Property, Plant and Equipment and Investment Property of Technical Pronouncements CPCs 27, 28, 37 and 43, valuated its machinery, equipment, buildings, land and farms to assign deemed cost. The remaining useful life of these assets was reviewed, except for lands and farms, which have an indefinite useful life.

The depreciation of assets is calculated by the straight-line method at rates mentioned in Note 14 and takes into account the estimated remaining useful life in the assets appraisal report which determined the new amounts attributed to the assets. The effects deriving from any changes in these estimates, if relevant, are treated as change of accounting estimates and recognized prospectively in the income statement for the year. Financial charges and expenditures that significantly increase assets' useful life are capitalized at the property, plant and equipment value and depreciated, taking into account the same criteria and useful life defined for the item into which these were incorporated. Maintenance and repair expenses, which do not significantly increase assets' useful life, are recorded as expenses when incurred.

Property, plant and equipment are net of credits from the Social Contribution Tax on Gross Revenue for Social Integration Program (PIS), Social Contribution Tax on Gross Revenue for Social Security Financing (COFINS) and State Value-Added Tax (ICMS) and the corresponding entry is recorded in recoverable taxes.

3.9. Leases

Finance lease agreements are recognized in property, plant and equipment against loans and financing, at present value of minimum lease payments or fair value of the related assets, whichever is lower, plus, when applicable, initial direct costs incurred in the transaction. The amounts recorded in property, plant and equipment are depreciated by assets' estimated economic useful life or the estimated lease agreement term, depending on specific characteristics of each transaction. Implicit interest rates in loans and financing liabilities are recorded in the income statement by the effective interest rate method. Operating lease agreements, when these are contracted, are recognized as expense on a systematic basis which represents the period in which the benefit over leased asset is obtained, even if these payments are not made thereon.

3.10. Intangible assets

These refer to goodwill generated in the acquisition of investments made until December 31, 2008, and were amortized on a straight-line basis for a 5-to-10 year term until that date based on future profitability. As of January 1, 2009, they are no longer amortized and shall only be submitted to an annual impairment test (see Note 16).

The new business acquisitions and their effects are recorded as provided by CPC 15 – Business Combinations.

3.11. Provision for impairment of assets

Management reviews the net carrying amount of assets aiming at assessing events or changes in economic, operational or technological circumstances that may indicate impairment or loss of their recoverable value on an annual basis. When this evidence is identified and the net carrying amount exceeds recoverable value, then a provision for asset impairment is recorded, adjusting the net carrying amount to recoverable value.

3.12. Provisions

Provisions are recognized in the balance sheet, on the date of the quarterly financial information, when there is a probable risk of a future outflow of economic benefits that can be reliably measured. Provisions for contingencies are recorded by their net amount of corresponding judicial deposits and are classified as provisions for tax, social security, labor and civil claims.

3.13. Actuarial liabilities

The defined benefit plans are evaluated by an independent actuary in order to determine the commitments to health care plans and life insurance provided to active employees and retirees, at the end of each year.

Actuarial gains or losses are recognized directly in equity, as provided by CPC 33 – Employee Benefits. The interest on actuarial liability is directly recorded in the income statement under “Other Operating Expenses”.

3.14. Other assets and liabilities

Assets are recognized only when the economic benefit associated with the transaction is likely to flow to the Company and its cost or value can be reliably measured. Contingent assets are not recognized.

A liability is recognized when the Company has a legal or constructive obligation arising from a past event, and economic resources are likely to be required to settle it. Provisions are recorded based on best estimates of the risk involved.

3.15. Income and social contribution taxes

The tax on income for the year comprises Corporate Income Tax (“IRPJ”) and Social Contribution Tax on Net Profit (“CSLL”), including current and deferred taxes, which are calculated based on taxable income (adjusted book profit), at rates effective at balance sheet dates: (i) income tax – calculated at a 25% rate over adjusted book profit (15% on taxable income plus 10% surtax for profits exceeding R$240 in a 12-month period); (ii) Social contribution tax – calculated at a 9% rate over adjusted book profit. Additions to book profit of temporarily non-deductible expenses, or exclusions of temporarily non-taxable income, which are considered when calculating current taxable income, generate deferred tax assets or liabilities.

Deferred tax assets and liabilities, deriving from tax losses, social contribution tax loss carryforward and temporary differences are recorded according to CPC 32 – Income Taxes.

3.16. Government grants and assistance

Government grants and assistance are recognized when it is reasonably certain that the conditions established by the granting governmental authority were observed and that these subsidies will be obtained. These are recorded as revenue or expense deduction in the income statement for the period of enjoyment of benefit and are subsequently allocated to the tax incentives reserve under equity.

3.17. Share-based payments

Company executives and managers receive their compensation partially as: i) share-based payment plans to be paid in cash; and ii) share-based payment plans to be paid with shares, and alternatively in cash.

Expenses related to plan i) and ii) are firstly recognized in the income statement as administrative expenses during the vesting period (grace period), over the period when services will be rendered against a financial liability (in case of plan i) and ii)) or in specific account under equity (in case of exclusive payment with shares) and measured at fair value when the compensation programs are granted. The financial liability is measured again at fair value at every balance sheet date and its variation is recorded in the income statement as administrative expenses.

However, on the option exercise date, if such options are exercised by the officer in order to receive Company shares, financial liabilities are reclassified to an equity account called "Options Granted". In case of option exercise paid in cash, the Company settles the financial liability on behalf of the officer.

3.18. Dividends and Interest on Shareholders' Equity

Company management proposal to distribute dividends and interest on Shareholders' Equity ("JCP") within the amount corresponding to the mandatory minimum dividend is recorded as liability in "Dividends and Interest on shareholders' Equity payable", as it is a legal obligation set forth in the Company's Articles of Incorporation; however, the amount of dividends exceeding the mandatory minimum dividend declared by management after the accounting period to which the financial statements refer, but before the authorization date to issue said financial statements, is recorded in "Additional dividends proposed" under equity.

3.19. Adjustment to present value of assets and liabilities

Non-current monetary assets and liabilities are monetarily restated; therefore, they are adjusted to present value. The present value adjustment of current monetary assets and liabilities is calculated and only recorded, if deemed relevant when compared to the quarterly financial information taken as a whole. For the purposes of recording and determining materiality, present value adjustment is calculated taking into account contractual cash flows and explicit interest rates, and implicit interest rates in certain cases, of respective assets and liabilities. Based on the analyses made and management's best estimate, the Company concluded that present value adjustment of current monetary assets and liabilities is immaterial when compared to the quarterly financial information taken as a whole. Thus, no adjustments were recorded.

3.20. Accounting estimates

These are used to measure and recognize certain assets and liabilities of the quarterly financial information of the Company and its subsidiaries. The calculation of these estimates takes into account experiences of past and current events, assumptions related to future events and other objective and subjective factors, based on management's judgment, in order to determine the value to be recorded in these quarterly financial information. Significant items subject to estimates include: the selection of property, plant and equipment and intangible assets' useful lives; allowance for doubtful accounts; provision for inventory losses; provision for investment losses; calculation of fair value of biological assets; calculation of deemed cost for certain groups of property, plant and equipment; impairment analysis of property, plant and equipment and intangible asset amounts; deferred income and social contribution taxes; rates and timing applied when determining present value adjustment of certain assets and liabilities; provision for contingencies and actuarial liabilities; fair value measurement of share-based payment plans and financial instruments; estimates to disclose the sensitivity analysis chart of derivative financial instruments as required by CPC 40 – Financial Instruments: Disclosure. The settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the quarterly financial information due to inaccuracies inherent to their calculation process. The Company reviews its estimates and assumptions at least on a quarterly basis.

3.21. Statements of cash flow and statements of value added

The statements of cash flows were prepared using the indirect method and have been reported according to CPC 3 – Statements of Cash Flows. The statements of value added were prepared according to CPC 9 – Statement of Value Added.

4 Cash and cash equivalents

	Parent Company		Consolidated	
	3/31/2011	12/31/2010	3/31/2011	12/31/2010
Cash and banks	**105,331**	114,785	**323,994**	345,486
Marketable securities	**1,481,279**	3,369,383	**1,506,251**	3,389,952
	1,586,610	3,484,168	**1,830,245**	3,735,438

On March 31, 2011 these investments yield interest at rates varying between 75.0% and 112.0% of Interbank Deposit Certificates ("CDI's") (from 99.0% to 114.0% at December 31, 2010), except for an amount in rural credit bank notes (LCA's), which are investments that mature in less than 30 days, yielding between 20% and 70% of CDI.

Cash and cash equivalents were classified in the held-for-trading financial assets category; therefore, they were measured according to the criterion outlined in Note 3.3.1 item "a".

5 Trade accounts receivable

	Parent Company		Consolidated	
	3/31/2011	**12/31/2010**	**3/31/2011**	**12/31/2010**
Domestic clients				
- Third parties	**508,584**	486,956	**512,044**	490,939
- Other related parties	**729**	1,640	**729**	1,640
Foreign clients				
- Third parties	**14,153**	12,866	**391,176**	371,196
- Subsidiaries	**752,925**	699,633	**-**	-
Provision for discounts	**(2,836)**	(7,129)	**(19,985)**	(47,717)
Allowance for doubtful accounts	**(25,718)**	(20,401)	**(29,250)**	(24,001)
	1,247,837	1,173,565	**854,714**	792,057

The Company conducts trade notes assignment transactions with financial institutions, transferring all the credits risks referring to these notes to those financial institutions. Upon the conduction of transactions of this nature, trade notes are immediately written off of trade accounts receivable.

For additional information on the terms and conditions involving the accounts receivable from subsidiaries and other related parties, please refer to Note 9.

On March 31, 2011, balances of overdue trade accounts receivable are broken down as follows:

	Parent Company		Consolidated	
	3/31/2011	**12/31/2010**	**3/31/2011**	**12/31/2010**
Amounts overdue:				
- Up to two months	14,383	2,733	28,731	6,809
- Two to six months	3,819	6,066	4,070	6,635
- Over six months	31,928	26,395	37,655	30,299
	50,130	35,194	**70,456**	43,743

Below, the breakdown of allowance for doubtful accounts in the period:

	Parent Company	Consolidated
Balances on December 31, 2010	(20,401)	(24,001)
Net assets acquired from KSR	(5,219)	(5,219)
Credits accrued	(127)	(128)
Credits recovered	29	22
Foreign exchange variation	-	76
Balances on March 31, 2011	**(25,718)**	**(29,250)**

Trade accounts receivable was classified in financial assets category "loans (granted) and receivables"; as such, it was measured as described in Note 3.3.1 item "b".

6 Inventories

	Parent Company		Consolidated	
	3/31/2011	**12/31/2010**	**3/31/2011**	**12/31/2010**
Finished goods				
Pulp				
- Domestic	**27,262**	19,027	**27,262**	19,027
- Foreign	**-**	-	**69,598**	54,877
Paper				
- Domestic	**234,849**	127,444	**234,849**	127,444
- Foreign	**-**	-	**80,937**	61,737
Work in process	**26,477**	22,560	**26,477**	22,560
Raw materials	**199,557**	184,123	**199,726**	184,307
Maintenance and other materials	**242,753**	202,755	**249,959**	206,696
Provision for inventories losses of maintenance and others	**(17,827)**	(17,827)	**(17,827)**	(17,827)
	713,071	538,082	**870,981**	658,821

7 Recoverable taxes

	Parent Company		Consolidated	
	3/31/2011	12/31/2010	3/31/2011	12/31/2010
Recoverable social contribution	**1,914**	1,914	**2,180**	1,954
Income tax recoverable	**47,860**	21,296	**49,554**	22,145
PIS/COFINS recoverable	**119,160**	118,924	**119,160**	118,924
ICMS recoverable	**128,134**	123,451	**128,239**	123,547
Provision for ICMS credit loss	**(8,293)**	(8,032)	**(8,293)**	(8,032)
Other taxes and contributions	**15,668**	8,943	**16,049**	9,320
	304,443	266,496	**306,889**	267,858
Current	**208,860**	170,434	**211,258**	171,748
Non-current	**95,583**	96,062	**95,631**	96,110

In addition to the accelerated depreciation benefit referred to in Note 8, Law No. 11196 of November 21, 2005 also authorizes the use of PIS/COFINS credits over acquisitions made as from January 1, 2006 of certain machinery and equipment, in 12 months instead of 24 months.

The amount of recoverable PIS/COFINS refers substantially to tax assets over the acquisition of fixed assets related to Mucuri expansion project. The Company will realize these credits with debits deriving from the increase of business activities and through other federal taxes carryforward.

From the amount of ICMS above, R$69,109 on March 31, 2011 (R$66,932 on December 31, 2010) refers to tax credits on export of pulp and paper generated at Mucuri plant located in Bahia. In order to realize these amounts, the Company requested the Finance Office of the State of Bahia - SEFAZ/BA to validate and approve tax credits generated from August 2006 to September 2008, already audited by fiscal authorities, amounting to R$37,901. In addition, the Company awaits inspection and ratification of new credits for the period between October 2008 and December 2009, amounting to R$20,315, so that the Company can also use them in offsetting authorized by RICMS/BA or trade them on the active market, to which the expected average discount is approximately 12% over the credit value. Therefore, the Company recorded a provision for loss of these credits in the amount of R$8,293 (R$8,032 on December 31, 2010).

8 Income and social contribution taxes

Neutrality for tax purposes of first-time adoption of Law No. 11941/09

The Company opted for the Transition Tax Regime ("RTT") introduced by Law No. 11941 of May 27, 2009, in the 2009 corporate income tax return ("DIPJ") whereby the calculations of corporate income tax (IRPJ), social contribution tax on net profit (CSLL), and social contribution tax on gross revenue for PIS and (COFINS for the two-year period 2008-2009, are still determined based on the accounting methods and criteria set forth by Law No. 6404 of December 15, 1976, effective at December 31, 2007. The deferred income and social contribution taxes, calculated over the adjustments deriving from the adoption of new accounting practices resulting from Law No. 11941/09 were recorded in the Company's quarterly financial information, if applicable, according to CPC 32 – Income Taxes.

Deferred income and social contribution taxes

Deferred income and social contribution taxes are recorded to reflect future tax effects, attributable to temporary differences and over income and social contribution tax loss carryforwards.

Deferred income and social contribution taxes are originated as follows:

	Parent Company		Consolidated	
	3/31/2011	12/31/2010	3/31/2011	12/31/2010
Income tax				
Credits over losses carryforward	**286,938**	299,879	**291,214**	301,722
Credits over temporary differences:				
- Credits over provisions	**120,125**	119,805	**120,176**	137,742
- Credits over goodwill amortization	**25,799**	28,526	**25,799**	28,526
Credits over effects of Law 11,941/09	**36,120**	27,041	**36,120**	27,041
Credits over IFRS adjustments	**116,853**	116,853	**116,853**	116,853
	585,835	592,104	**590,162**	611,884
Social contribution				
Credits over negative basis of social contribution	**-**	**-**	**1,407**	708
Credits over temporary differences:				
- Credits over provisions	**42,993**	42,877	**43,011**	49,335
- Credits over goodwill amortization	**9,288**	10,270	**9,288**	10,270
Credits over effects of Law 11,941/09	**13,004**	9,735	**13,004**	9,735
Credits over IFRS adjustments	**42,067**	42,067	**42,067**	42,067
	107,352	104,949	**108,777**	112,115
Total assets	**693,187**	697,053	**698,939**	723,999
Income tax				
Debits over accelerated depreciation	**579,460**	581,208	**579,460**	581,208
Debits over goodwill amortization	**60,423**	53,709	**60,423**	53,709
Reforestation costs	**1,818**	2,021	**1,818**	2,021
Debits over effects of Law 11,941/09	**2,787**	760	**2,787**	760
Debits over adjustments of new CPCs	**1,326,755**	1,328,142	**1,415,873**	1,432,624
	1,971,243	1,965,840	**2,060,361**	2,070,322
Social contribution				
Debits over goodwill amortization	**21,752**	19,335	**21,752**	19,335
Reforestation costs	**654**	727	**654**	727
Debits over effects of Law 11,941/09	**1,003**	274	**1,003**	274
Debits over adjustments of new CPCs	**477,633**	478,132	**509,715**	515,747
	501,042	498,468	**533,124**	536,083
Total liabilities	**2,472,285**	2,464,308	**2,593,485**	2,606,405
Total non-current assets, net	**-**	-	5,363	26,946
Total non-current liabilities, net	**1,779,098**	1,767,255	**1,899,909**	1,909,352

The Company recorded an impairment provision on goodwill balance of Conpacel (former Ripasa) at transition date to IFRS. The Company recorded deferred income and social contribution taxes liabilities over the amounts amortized for tax purposes, from January 1, 2009 until the date of these quarterly financial information.

The breakdown of accumulated income and social contribution tax losses is shown below:

	Parent Company		Consolidated	
	3/31/2011	12/31/2010	3/31/2011	12/31/2010
Income tax losses carryforward	**1,147,751**	1,199,517	**1,164,855**	1,206,888
Negative basis of social contribution	**-**	-	**15,631**	7,865

According to CPC 32 – Income Taxes, the Company, based on the expectation of generating future taxable income determined in a technical study approved by management, recognized deferred tax assets over temporary differences, income tax loss carryforward and social contribution tax losses, which do not have expiring date.

Based on this technical study on the generation of future taxable income, The Company estimates to recover these deferred tax assets in the following years:

	3/31/2011	
	Parent Company	Consolidated
2011	**86,522**	**87,027**
2012	**110,698**	**115,351**
2013	**86,318**	**86,318**
2014	**79,421**	**79,421**
2015	**80,596**	**80,596**
2016 onwards	**249,632**	**250,226**
	693,187	**698,939**

Tax incentives

The Company has tax incentives of 75% income tax reduction for the Mucuri/BA unit to be utilized by 2011 for pulp and by 2012 for paper (line 1) calculated on the profit those benefits from favorable tax treatment, proportionally to this unit's net revenues.

A similar benefit was obtained by the Company for Line 2 of this unit with fruition term by the end of 2018.

The income tax reduction deriving from this benefit is recorded as reduction of income and social contribution tax expenses in the income statement for the year. Nevertheless, at the end of each fiscal year, after calculating net income, the tax reduction is allocated to a capital reserve, as partial allocation of net income earned, thus complying with the legal provision of not distributing this amount.

The Mucuri/BA unit operates under the supervision of the Superintendence for the Development of the Northeast (SUDENE) and the Superintendence for the Development of Amazon (SUDAM), in less developed micro-regions and is eligible to accelerated depreciation for the assets acquired as from January 1, 2006.

The Company received the accelerated incentive depreciation benefit, which consists of full depreciation in the year the assets are acquired, for tax purposes, representing an exclusion from taxable income, made through Taxable Income Control Register (LALUR) not changing, however, the depreciation expense that will be recorded in the income statement, upon beginning of activities of the expansion project, based on the estimated useful lives of the assets.

The accelerated incentive depreciation is the deferral of income tax payment (but not of Social Contribution Tax on Net Profit) over the useful life of the asset and the depreciation recorded in each of the years for these assets must be added in future years to taxable income.

Reconciliation of income and social contribution tax expenses

The reconciliation of expenses calculated by applying aggregate statutory tax rates and income and social contribution tax expenses recorded in the income statement is shown as follows:

		Parent Company		Consolidated	
		3/31/2011	**3/31/2010**	**3/31/2011**	**3/31/2010**
Income before income and social contribution taxes		**193,795**	198,161	**195,979**	199,414
Exclusion of equity pickup		**(14,239)**	(6,675)	**-**	-
Income after the exclusion of equity pickup		**179,556**	191,486	**195,979**	199,414
Income and social contribution taxes by the nominal rate of 34%		**(61,049)**	(65,105)	**(66,633)**	(67,801)
Adjustment of accounting to tax income:					
Income taxation of foreign subsidiaries		**-**	(31)	**-**	-
Exchange effect of translating foreign subsidiaries' financial statements		**-**	-	**1,477**	1,805
Taxation over adjustments to Law 11,941/09 recorded in foreign subsidiaries		**(3,788)**	2,376	**-**	-
Tax incentives - SUDENE reduction	(i)	**14,684**	-	**14,684**	-
Effect of SUDENE reduction over the calculation of temporary differences		**-**	(11,090)	**-**	(11,090)
Other		**146**	(1,322)	**(1,718)**	661
Current income and social contribution taxes		**(31,783)**	(70,840)	**(33,679)**	(72,039)
Deferred income and social contribution taxes		**(18,223)**	(4,332)	**(18,511)**	(4,386)
Income and social contribution taxes expense recorded in the income statement for the period		**(50,006)**	(75,172)	**(52,190)**	(76,425)
Effective rate		***27.9%***	*39.3%*	***26.6%***	*38.3%*

(i) There are no values in 2010 due to the absence of taxable base.

9 Related parties

Balances and transactions in the quarterly ended March 31, 2011

	Assets			Liabilities				1Q11	
	Current		Non-current	Current		Non-current		Revenues (expenses)	
Consolidated companies									
Suzano Trading Ltd.	744,509	(2)	-	114,650	(1)	1,084,656	(1)	572,490	**(2)**
Suzano America, Inc.	17		-	-		-		-	
Suzano Europe S.A.	134		-	3,462		-		-	
Comercial e Agrícola Paineiras Ltda.	-		-	3,125		-		(6,946)	
Stenfar S/A Indl. Coml. Imp. Y. Exp.	9,465	(2)	-	2		-		9,014	**(2)**
Ondurman Empreendimentos Imobiliários Ltda.	-		811	-		-		(3,061)	
Amulya Empreendimentos Imobiliários Ltda	-		1,500	-		-		(742)	
Asapir Produção Florestal e Comércio Ltda.	-		-	9,551		-		-	
Baldev Empreendimentos e Participações Ltda	-		11,276	-		-		-	
	754,125		**13,587**	**130,790**		**1,084,656**		**570,755**	
Non-consolidated companies									
Suzano Holding S.A.	-		-	-		-		(5,058)	
SPP Agaprint Indl. e Coml. Ltda.	341		-	12,929	(5)	-		8,356	**(2)**
Central Distribuidora de Papéis Ltda	388		-	10,380	(5)	-		10,155	**(2)**
Nemonorte Imóveis e Participações Ltda.	-		-	-		-		(70)	
Mabex Representações e Participações Ltda.	-		-	-		-		(128)	
Brasilprev Seguros e Previdência S.A.	-		-	-		-		(963)	**(3)**
Lazam MDS Corretora e Adm. Seguros S.A.	-		-	-		-		(44)	
Shareholders				577	(4)				
CONSOLIDATED	**729**		**-**	**23,886**		**-**		**12,248**	
PARENT COMPANY	**754,854**		**13,587**	**154,676**		**1,084,656**		**583,003**	

Balance sheets for December 31, 2010 and transactions in the quarterly ended March 31, 2010

	Assets			Liabilities				1Q10	
	Current		Non-current	Current		Non-current		Revenues (expenses)	
Consolidated companies									
Suzano Trading Ltd.	693,705	**(2)**	811	116,075	**(1)**	1,120,044	**(1)**	547,691	**(2)**
Suzano America, Inc.	17		-	-		-		-	
Suzano Europe S.A.	137		-	3,487		-		-	
Comercial e Agrícola Paineiras Ltda.	-		-	6,036		-		(6,527)	
Stenfar S/A Indl. Coml. Imp. Y. Exp.	7,726	**(2)**	-	61		-		11,794	**(2)**
Asapir Produção Florestal e Comércio Ltda.	-		-	9,752		-		-	
Ondurman Empreendimentos Imobiliários Ltda.	-		-	-		-		(2,813)	
	701,585		**811**	**135,411**		**1,120,044**		**550,145**	
Non-consolidated companies									
Suzano Holding S.A.	-		-	-		-		(1,441)	
SPP Agaprint Indl. e Coml. Ltda.	297		-	13,501	**(5)**	-		4,763	
Central Distribuidora de Papéis Ltda	101		-	13,991	**(5)**	-		12,580	
Nova Mercante de Papéis Ltda	1,242		-	-		-		(81)	
Nemonorte Imóveis e Participações Ltda.	-		-	-		-		(227)	
Mabex Representações e Participações Ltda.	-		-	-		-		(298)	
Brasilprev Seguros e Previdência S.A.	-		-	-		-		(1,115)	**(3)**
Lazam MDS Corretora e Adm. Seguros S.A.	-		-	-		-		(66)	
Shareholders	-		-	129,020	**(4)**	-		-	
CONSOLIDATED	**1,640**		**-**	**156,512**		**-**		**14,115**	
PARENT COMPANY	**703,225**		**811**	**291,923**		**1,120,044**		**564,260**	

(1) - These refer mainly to 'Notes due-2021" and import financing, funded by subsidiary Suzano Trading and transferred to the Company in export prepayment operations.
(2) - This refers to pulp and paper sales operations;
(3) - Expenses related to defined contribution private pension plan for the Company's employees.
(4) – This refers to dividends and interest on equity.
(5) – This refers to vendor operations classified as loans and financing (Note 17).

Related-party transactions were carried out under usual market conditions.

Management compensation

Company's key management compensation expenses, recognized in the income statement for the quarterly ended March 31, 2011 amounted to R$19,000 in the parent company and R$19,088 in the consolidated (R$19,720 and R$19,762, respectively, in the quarterly ended March 31, 2010). Please refer to Note 22 for share-based compensation information.

10 Indemnification for land expropriation

On July 1, 1987, Companhia Santista de Papel, one of the invested companies owned by the former group Ripasa (hereinafter Conpacel), filed a claim requiring indemnity due to indirect expropriation of its property, which was declared as being in an area of public interest (property included in the State Park of Serra do Mar). On December 2, 2004, the Company had a favorable judicial decision. During this phase, given the uncertainties related to the receipt of the amounts and for not having ownership of the expropriated property, former Ripasa wrote off the net carrying amount of these lands and did not record the amount receivable in its financial statements.

However, on January 28, 2008, the 2nd Judicial District Court of Cubatão issued an official communication to the Chief Justice requiring necessary actions to revert the amount in favor of the Company, through the issuance of securities to cover court-ordered debts, payable in ten (10) annual equal and successive installments (2010 to 2019), duly restated by the indexes established in the related court decision. On April 20, 2010, the Company withdrew the first installment deposited in court.

At March 31, 2011, this receivable balance was R$55,740 (R$56,512 at December 31, 2010), of which R$5,506 were recorded in current assets and R$50,233 were recorded in non-current assets.

11 Advance to suppliers – Timber development program

This development program is a system in which independent producers plant eucalyptus at their own farms in order to supply the agricultural product (timber) to the Company. These advances are not subject to valuation at fair value.

The Company had advances from development financial resources amounting to R$292,828, classified under current and non-current assets at March 31, 2011 (R$264,391 at December 31, 2010).

12 Investments

		March 2011 – Subsidiary's information			Equity Pickup in the quarterly ended		Investments	
		Shareholders' equity	Income (loss) for the period	Equity interest	3/31/2011	3/31/2010	3/31/2011	3/31/2010
PARENT COMPANY								
Asapir Produção Florestal e Comércio Ltda.	-	43,204	527	50%	264	(223)	21,602	21,339
Comercial e Agrícola Paineiras Ltda.	-	434,535	1,848	100%	1,804	989	434,492	432,687
Stenfar S.A., Ind. Com. Imp. Y Exp.	(b)	11,924	(205)	15.70%	(116)	(115)	1,872	1,988
Suzano Trading Ltd.	(a) / (b)	105,825	12,886	100%	10,774	4,863	105,825	95,052
Suzano America, Inc.	(b)	12,207	289	100%	14	514	12,207	12,192
Bahia Sul Holdings GmbH	(b)	(6)	(1)	100%	(2)	(12)	(6)	(4)
Suzano Europe S.A.	(b)	14,460	904	100%	867	783	14,460	13,593
Sun Paper and Board Limited	(b)	2,060	45	100%	68	(622)	2,060	1,993
Ondurman Empreendimentos Imobiliários Ltda.	-	2,215	672	100%	672	498	2,215	1,543
Amulya Empreendimentos Imobiliarios Ltda	-	(33)	(33)	100%	(33)	-	(33)	-
Baldev Empreendimentos e Participações Ltda	-	(73)	(73)	100%	(73)	-	(73)	-
Paineiras Logistica e Transportes	-	-	-	100%	-	-	10	-
Total investments in direct and indirect subsidiaries					14,239	6,675	594,631	580,383
CONSOLIDATED								
Futuragene PLC.	-	(3,865)	(1,413)	100%	-	-	-	-
Stenfar S.A., Ind. Com. Imp. Y Exp.	(b)	11,924	(205)	84.30%	-	-	-	-

(a) At March 31, 2011, investment in this subsidiary considered the elimination of profit on unrealized inventory, net of tax effects, in the amount of R$117 (R$101 on March 31, 2010);

(b) The equity pickup of these foreign direct and indirect subsidiaries for the quarterly ended March 31, 2011, includes exchange variation loss of investment in these subsidiaries, amounting to R$3,029 (loss of R$984 in the quarterly ended March 31, 2010);

Changes in investments are as follows:

	Parent Company	
	3/31/2011	
Opening balances	580,383	
Capital increase	9	(i)
Equity pick-up in subsidiaries and affiliates	14,239	
Closing balances	594,631	

(i) Refers to the investment in Paineiras Logística e Transportes.

Acquisition of FuturaGene

Futuragene is a groundbreaking company in terms of biotechnology research and development that targets forest and biofuel markets, among others. Among Futuragene's most advanced technologies, we mention techniques that will increase forest productivity concerned with the sustainable production of timber for industrial process.

Management believes that this transaction will enable the Company to continue developing the technologies that comprise Futuragene's current portfolio and that the combination of the expertise and technologies of both companies will result in synergies of the forest research and development, which is one of the Company's main competitiveness drivers in the pulp and paper markets.

Suzano Trading held non-relevant investments in the acquired company and with this operation acquired 100% of the shares, with an initial goodwill of R$132,801 (see Note 16), which will be submitted to valuation in order to allocate the fair value to the acquired assets and liabilities, as required by CPC 15 – Business Combinations. This allocation of goodwill in view of fair value of assets and liabilities of Futuragene will be made during 2011, according to the 12-month term authorized by CPC 15, Paragraph 45.

13 Biological assets

The determination of fair value for the forest biological assets includes a complex exercise of judgment and estimate which requires an understanding of the Company's business, the utilization of this asset in the manufacturing process, opportunities and restrictions to use timber, and also, forest formation and growth cycle.

The volume of timber traded on the market by the Company is not sufficient to fairly represent the eucalyptus price on the market for the purposes of determining fair value of forests.

When the Company determined fair value of its assets, it took into account all implementation, renovation and maintenance costs, net of taxes paid, to third parties. The price was established by considering the cost plus method.

The eucalyptus forests valuation was made through the Income Approach method, based on the discounted future cash flows at present value, in order to reflect the economic model of a business unit solely concerned with eucalyptus plantation.

In the discounted future cash flows, the flow projections based on the expected production of vertical tree bark existing at the balance sheets reference date consider forest average growth cycle of seven years, average productivity obtained by the Annual Average Increase ("IMA") of 44.2 m^3 / hectare and forest formation costs until the appropriate cutting period of the vertical tree (harvest period, i.e., matured assets). Sales average net price was R$44.40/ m^3 (R$43.89 in 2009). The discount rate was 12.3% before income tax.

Fair value of the biological assets is calculated yearly. The adjustment effects are recorded under other operating income and their monthly realization through depletion, under cost of products sold. The Company does not have Biological Assets given as collateral at the dates of these quarterly financial information.

Movement of the biological asset balances is as follows:

	Parent Company	**Consolidated**
Balances on December 31, 2010	**1,809,670**	**1,811,094**
Additions	**135,272**	**135,384**
Biological assets acquired - Conpacel	**176,795**	**176,795**
Cuts in the period	**(60,292)**	**(60,292)**
Transfers	**554**	**554**
Other write-offs	**(842)**	**(1,482)**
Balances on March 31, 2011	**2,061,157**	**2,062,053**

14 Property, plant and equipment

The details of the Company's property, plant and equipment are demonstrated in the following
table:

						Parent Company
	Buildings	Machinery and equipment	Other assets	Lands and farms	Work in progress	Total property, plant and equipment
Annual average depreciation rate	**2.32%**	**4.70%**	**16.08%**	**-**	**-**	**-**
Cost						
Balances on December 31, 2009	1,448,282	9,793,548	233,374	2,640,278	31,915	14,147,397
Transfers	8,613	40,890	4,193	(1,423)	(53,315)	(1,042)
Additions	7	21,753	7,503	37,201	139,260	205,724
Write-offs	(3,967)	(13,339)	(2,656)	(1,059)	-	(21,021)
Balances on December 31, 2010	**1,452,935**	**9,842,852**	**242,414**	**2,674,997**	**117,860**	**14,331,058**
Transfers	**21,595**	**44,835**	**5,997**	**347**	**(72,774)**	**-**
Assets from the acquisition of Conpacel	**141,476**	**1,929,844**	**22,262**	**117,120**	**15,731**	**2,226,433**
Assets from the acquisition of KSR	**2,407**	**100**	**4,861**	**-**	**-**	**7,368**
Additions	**-**	**2,776**	**1,107**	**8,354**	**54,403**	**66,640**
Write-offs	**(754)**	**(1,393)**	**(183)**	**(187)**	**-**	**(2,517)**
Balances on March 31, 2011	**1,617,659**	**11,819,014**	**276,458**	**2,800,631**	**115,220**	**16,628,982**
Depreciation						
Balances on December 31, 2009	(416,571)	(3,087,843)	(187,837)	-	-	(3,692,251)
Transfers	-	13	(264)	-	-	(251)
Write-offs	2,792	12,536	1,947	-	-	17,275
Depreciation	(21,880)	(311,282)	(14,622)	-	-	(347,784)
Balances on December 31, 2010	**(435,659)**	**(3,386,576)**	**(200,776)**	**-**	**-**	**(4,023,011)**
Transfers	**7**	**(7)**	**-**	**-**	**-**	**-**
Assets from the acquisition of Conpacel	**(64,001)**	**(861,607)**	**(16,837)**	**-**	**-**	**(942,445)**
Assets from the acquisition of KSR	**(613)**	**(73)**	**(4,199)**	**-**	**-**	**(4,885)**
Write-offs	**559**	**1,226**	**100**	**-**	**-**	**1,885**
Depreciation	**(10,089)**	**(87,345)**	**(3,844)**	**-**	**-**	**(101,278)**
Balances on March 31, 2011	**(509,796)**	**(4,334,382)**	**(225,556)**	**-**	**-**	**(5,069,734)**
Residual value						
Balances on March 31, 2011	**1,107,863**	**7,484,632**	**50,902**	**2,800,631**	**115,220**	**11,559,248**
Balances on December 31, 2010	1,017,276	6,456,276	41,638	2,674,997	117,860	10,308,047

Consolidated

	Buildings	Machinery and equipment	Other assets	Lands and farms	Work in progress	Total property, plant and equipment
Annual average depreciation rate	**2.32%**	**4.70%**	**16.08%**	**-**	**-**	**-**
Cost						
Balances on December 31, 2009	1,454,521	9,793,778	463,879	3,083,524	31,915	**14,827,617**
Transfers	8,614	40,890	3,787	(1,423)	(53,315)	**(1,447)**
Additions	7	21,753	8,387	37,201	139,260	**206,608**
Write-offs	(3,967)	(13,339)	(2,656)	(12,478)	-	**(32,440)**
Balances on December 31, 2010	**1,459,175**	**9,843,082**	**473,397**	**3,106,824**	**117,860**	**15,000,338**
Transfers	**21,595**	**44,835**	**5,997**	**347**	**(72,774)**	**-**
Assets from the acquisition of Conpacel	**141,476**	**1,929,844**	**22,262**	**117,120**	**15,731**	**2,226,433**
Assets from the acquisition of KSR	**2,407**	**100**	**4,861**	**-**	**-**	**7,368**
Additions	**-**	**5,511**	**1,276**	**67,733**	**54,403**	**128,923**
Write-offs	**(754)**	**(1,393)**	**(317)**	**(4,272)**	**-**	**(6,736)**
Balances on March 31, 2011	**1,623,899**	**11,821,979**	**507,476**	**3,287,752**	**115,220**	**17,356,326**
Depreciation, amortization and depletion						
Balances on December 31, 2009	(422,247)	(3,088,011)	(212,907)	-	-	**(3,723,165)**
Transfers	-	13	267	-	-	**280**
Write-offs	2,792	12,537	1,946	-	-	**17,275**
Depreciation	(22,112)	(311,293)	(22,830)	-	-	**(356,235)**
Balances on December 31, 2010	**(441,567)**	**(3,386,754)**	**(233,524)**	**-**	**-**	**(4,061,845)**
Transfers	**7**	**(7)**	**-**	**-**	**-**	**-**
Assets from the acquisition of Conpacel	**(64,001)**	**(861,607)**	**(16,837)**	**-**	**-**	**(942,445)**
Assets from the acquisition of KSR	**(613)**	**(73)**	**(4,199)**	**-**	**-**	**(4,885)**
Write-offs	**559**	**1,226**	**141**	**-**	**-**	**1,926**
Depreciation	**(10,099)**	**(87,348)**	**(5,834)**	**-**	**-**	**(103,281)**
Balances on March 31, 2011	**(515,714)**	**(4,334,563)**	**(260,253)**	**-**	**-**	**(5,110,530)**
Residual value						
Balances on March 31, 2011	**1,108,185**	**7,487,416**	**247,223**	**3,287,752**	**115,220**	**12,245,796**
Balances on December 31, 2010	1,017,608	6,456,328	239,873	3,106,824	117,860	10,938,493

Machinery and equipment include amounts recognized as finance lease outlined in Note 17.

At March 31, 2011 other consolidated assets basically refer to turbines of Complexo Energético Amador Aguiar (energy complex), in the amount of R$192,842 (R$194,703 on December 31, 2010).

At March 31, 2011, the Company and its subsidiaries had property, plant and equipment pledged as collateral in loan operations and lawsuits amounting to R$3,900,615 (R$3,921,173 on December 31, 2010).

In the period ended March 31, 2011 and fiscal year ending December 31, 2010 new material capitalizations of interest did not occur.

15 Acquisition of Conpacel and KSR's net assets

The execution of the agreement to complete the acquisition of Fibria's interest in Conpacel's net assets by the Company, held on January 31 and February 28, 2011, comprised 50% of the pulp and paper plant, own land and own and leased plantation of Conpacel and 100% of KSR paper distribution operations, respectively.

The balance of net assets acquired from Conpacel and KSR at the dates the Company took over control is as follows:

	CONPACEL	KSR
	3/31/2011	**2/28/2011**
Assets		
Current	**36,930**	**90,569**
Accounts receivable	-	42,635
Inventories	35,963	42,323
Recoverable taxes	-	4,554
Other accounts receivable	522	67
Prepaid expenses	445	990
Non-current	**606,420**	**2,483**
Long-term assets	13,895	**-**
Deferred income and social contribution taxes	6,381	-
Receivables from developments	7,514	-
Permanent assets	592,525	2,483
Property, plant and equipment	590,814	2,483
Intangible assets	1,711	-
	643,350	**93,052**
Liabilities		
Current	**35,201**	**22,022**
Suppliers	12,490	17,067
Financing	12,225	-
Taxes and fees	1,271	-
Payroll and charges	5,837	997
Accounts payable	3,378	3,958
Non-current	**26,334**	**-**
Financing	26,334	-
	61,535	**22,022**
Net assets acquired	**581,815**	**71,030**
TOTAL	**643,350**	**93,052**

Acquired net assets will be appraised to determine their fair value at respective acquisition dates as set forth by CPC 15.

The difference calculated between amount paid and book value recorded at Conpacel is accounted for in the property, plant and equipment group (Note 14).

16 Intangible assets - Goodwill

Goodwill was amortized on a straight-line basis from the date of acquisition of each subsidiary until December 31, 2008. As of that date, the residual balances are yearly tested for impairment, according to CPC 1 (R1).

Below, the breakdown of goodwill balances:

			3/31/2011	12/31/2010
	Cost	**Amortization**	**Residual**	**Residual**
B.L.D.S.P.E. Celulose e Papel S.A.	**49,305**	**(15,253)**	**34,052**	34,052
Total parent company	**49,305**	**(15,253)**	**34,052**	34,052
Futuragene PLC	**132,801**	**-**	**132,801**	135,859
Total consolidated	**182,106**	**(15,253)**	**166,853**	169,911

(i) Balance subject to exchange variation

Goodwill related to acquisition of subsidiary FuturaGene will be subjected to the Purchase Price Allocation analysis – PPA.

The amount invested in FuturaGene involves risks and uncertainties which are not only under the management of the Company but inherent to the activities developed by investee. These risks and uncertainties result from new technologies, market, biotechnological tests to prove the expected benefits and the regulation of the patents in the countries where this technology will be traded. Therefore, the income to be earned by this company may differ from those currently expected.

As of December 31, 2010, the Company assessed the carrying value of goodwill based on CPC 1 (R1) - Impairment of assets. At December 31, 2010, the impairment test of intangible assets, based on the discounted cash flows method, used price projections grounded on the paper market prospects for the following years, volumes and costs in similar bases to actual ones at the end of the adjusted years and a 12.3%discount rate. The model did not result in the recognition of losses, given that value in use exceeds its net carrying amount on the assessment date.

17 Loans and financing

	Index		Annual average interest rate on 3/31/2011	Parent Company 3/31/2011	Parent Company 12/31/2010	Consolidated 3/31/2011	Consolidated 12/31/2010
Property, plant and equipment:							
BNDES - Finem	TJLP	(1) (2)	8.50%	**1,847,443**	1,860,087	**1,898,514**	1,914,007
BNDES - Finem	Currency basket	(2)	6.32%	**293,278**	299,644	**293,278**	299,644
BNDES - Finame	TJLP	(1) (2)	5.41%	**6,672**	7,123	**6,672**	7,123
BNDES - Finame	Currency basket		6.96%	**44**	60	**44**	60
BNDES - Automatic	TJLP	(1) (2)	9.30%	**2,386**	2,832	**2,386**	2,832
BNDES - Automatic	Currency basket		6.92%	**231**	282	**231**	282
FNE - BNB	Fixed rate		8.50%	**125,400**	129,906	**125,400**	129,906
FINEP	TJLP		4.76%	**33,861**	34,679	**33,861**	34,679
Rural credit	Fixed rate + CDI		9.06%	**21,134**	41,266	**21,134**	41,266
Financial leasing	CDI + US$		12.64%	**98,505**	65,469	**98,505**	65,469
Working capital:							
Export financing	US$	(3)	3.55%	**1,558,014**	1,641,907	**1,629,278**	1,725,225
Import financing	US$	(4)	2.27%	**199,041**	203,102	**281,745**	287,159
Nordic Investment Bank	US$	(5)	5.74%	**73,173**	74,454	**73,173**	74,454
Export financing	CDI		11.49%	**358,152**	348,060	**358,152**	348,060
Import financing	US$		6.65%	**24,760**	51,547	**24,760**	51,547
BNDES - EXIM	TJLP	(1)	7.53%	**308,123**	308,159	**308,123**	308,159
Senior Notes	Fixed rate	(6)	5.88%	**-**	-	**1,043,307**	1,072,490
Trade notes discount - Vendor				**130,715**	155,593	**130,715**	155,593
Other				**1,091**	953	**12,333**	13,604
				5,082,023	5,225,123	**6,341,611**	6,531,559
Current (including interest rates payable)				**1,149,151**	1,194,742	**1,285,148**	1,340,127
Non-current				**3,932,872**	4,030,381	**5,056,463**	5,191,432
Non-current loans and financing mature as follows:							
2012				**1,114,908**	1,256,299	**1,132,645**	1,287,260
2013				**987,464**	980,679	**1,017,901**	1,011,640
2014				**477,827**	477,365	**508,264**	508,326
2015				**418,477**	418,105	**427,659**	427,337
2016				**400,374**	400,142	**404,261**	404,082
2017				**246,342**	242,471	**246,342**	242,471
2018				**198,497**	179,767	**198,497**	179,767
2019				**84,050**	69,927	**84,050**	69,927
2020 onwards				**4,933**	5,626	**1,036,844**	1,060,622
				3,932,872	4,030,381	**5,056,463**	5,191,432

1) Term of capitalization corresponds to that one exceeding 6% of long-term interest rate (TJLP) published by Brazilian Central Bank;

2) Loans and financing are secured, depending on the agreements by (i) plant mortgages; (ii) rural properties and forests; (iii) chattel mortgage of assets subject of financing; (iv) shareholders' guarantee and (v) bank guarantee.

3) In September 2009, the Company, through its subsidiary Suzano Trading, signed a loan agreement with Banco WestLB AG of US$50 million to finance exports. This agreement contains clauses establishing maximum leverage levels, which were complied with at March 31, 2011.

4) In October 2006, the Company signed a loan agreement with BNP Paribas and Société Générale, in the proportion 50% for each one, in the amount of US$150 million, to finance imported equipment for the Mucuri project. This agreement contains clauses establishing maximum indebtedness and leverage levels, which were complied with at March 31, 2011.

5) In November 2006, the Company executed a Credit Facility Agreement with Nordic Investment Bank in the amount of up to US$50 million to finance equipment and specialized workforce related to the Mucuri project. This agreement contains clauses establishing maximum indebtedness and leverage levels, which were complied with at March 31, 2011.

6) In September 2010, the Company through its international subsidiary Suzano Trading, issued US$650 million of senior notes on the international market to mature on January 23, 2021 and payment of semiannual interest rates of 5.875% p.a. (yield to maturity 6.125% p.a.).

The Company is guarantor of the issue, which represents an unsecured senior debt of the issuer or the Company and equally concurs with other companies similar liabilities.

Finance lease

The Company has finance lease agreements related to:

i) Equipment used in the pulp and paper industrial process, located in the cities of Suzano-São Paulo, Limeira-São Paulo and Mucuri-Bahia. These agreements are denominated in U.S. dollars and contain purchase option clauses of these assets at the expiration of leasing term, which varies between 8 and 15 years, for a price substantially lower than their fair value. Management intends to exercise the purchase options on the dates estimated in each agreement.

ii) Hardware equipment and installation service. These agreements were executed in Brazilian Reais and do not contain purchase option clause of assets at the end of 45 months and the Management does not have the intention to purchase assets at the end of the contract term.

The amounts capitalized in property, plant and equipment, net of depreciation, and the present value of mandatory installments of the agreement (financing) corresponding to these assets are stated below:

	Parent Company and Consolidated	
	3/31/2011	12/31/2010
Machinery and equipment	150,582	98,557
(-) Accumulated depreciation	(84,451)	(48,760)
Property, plant and equipment, net	66,131	49,797
Present value of mandatory installments (financing):		
Less than 1 year	28,717	16,143
From 1 to 5 years	60,567	39,495
Over 5 years	9,221	9,831
Total present value of mandatory installments (financing)	98,505	65,469
Financial charges to be appropriated in the future	10,049	11,116
Value of mandatory installments at the expiration of agreements	108,554	76,585

18 Debentures

			3/31/2011			12/31/2010	Index	Interest	Due Date
Issue	Series	Number	Current	Non-current	Current and non-current	Current and non-current			
3rd	1st	333,000	**42,905**	**493,476**	**536,381**	513,368	IGP-M	10% *	4/1/2014
3rd	2nd	167,000	**3,035**	**89,874**	**92,909**	92,746	USD	9.85%	5/7/2019
4th	1st	8,776	**3,482**	**3,008**	**6,490**	6,359	TJLP	2.50%	12/1/2012
4th	2nd	17,552	**6,780**	**5,892**	**12,672**	12,363	TJLP	2.50%	12/1/2012
			56,202	**592,250**	**648,452**	624,836			

*The instrument was issued at a discount of R$38,278, fully incorporated into the amount of respective debentures, which changed the effective interest rate of the operation from 8% p.a. to 10% p.a.

a) 3rd issue debentures

The 3rd issue in August 2004, in the amount of R$500,000 is composed of two series, the first one in the nominal amount of R$333,000 and the second one in the amount of R$167,000, both maturing in 2014 in one single installment. The first series offered to the local market yield interest by IGP-M plus annual coupon of 8%, payable yearly and was priced on the basis of the concepts set in CVM Rule 404, by granting premium and discount on the issue price. The second series, not traded on the market, was fully purchased by Banco Votorantim.

The Debenture Holders General Meeting held on May 22, 2007 ratified the change of maturity of 2nd series Debentures which previously had a 10-year maturity on April 1, 2014, and now they mature within 15 years on May 7, 2019. Interest yield which until May 22, 2007 was 10.38% p.a. now is 9.85% p.a. up to maturity date.

The Debenture Holders General Meeting held on May 4, 2010, ratified with the approval of 93.88% of 1st series Debenture Holders and 100% of 2nd series Debenture Holders: (i) changes in the limits for Net Debt/Equity ratio and Net Debt/EBITDA ratio; (ii) adjustment to the definition of “Consolidated Net Debt” contained in the Deed of Debentures; (iii) the introduction of a buyback option of Debentures by the issuer in certain cases of early maturity. In order to implement these changes, the Company paid to debenture holders on May 11, 2010, a premium corresponding to 0.75% of Debentures in the amount of R$ 4,234.

The 3rd issue of debentures contains clauses establishing maximum indebtedness and leverage levels, based on the consolidated financial statements of the Company. The Company was performing all the contractual conditions, according to the changes implemented.

b) 4th issue debentures

The 4th issue occurred in August 2006, with issue date on December 1, 2005, composed of two series, the first one in the nominal amount of R$80,000 and the second one in the nominal amount of R$160,000, both convertible into shares to be privately placed and with preemptive right for shareholders' subscription. Non-controlling shareholders subscribed the nominal amount of R$18,081 and the remainder in the nominal amount of R$221,919 was subscribed by BNDES PARTICIPAÇÕES S.A. – BNDESPAR, pursuant to the agreement executed with this BNDES' subsidiary. 4th issue debentures have final maturity in December 2012, and amortizable in three annual installments, after a 4-year grace period, on the dates of December 1, 2010, 2011 and 2012. Annual interest rates are 2.5% plus TJLP (until 6%), payable semiannually on June and December 1 of each year. The TJLP exceeding 6% p.a. will be capitalized for amortization jointly with principal. Debentures may be convertible into shares, at any moment at the holder's discretion, by the price of R$13.84 per share, as of April 30, 2010. Concerning the common shares resulting from conversion, BNDESPAR undertakes to sell and the Company's controlling shareholder undertakes to buy these shares, by the same conversion price plus interest calculated between conversion date and effective payment.

In December 2010, BNDESPAR converted 70,959 1st series debentures and 141,919 2nd series debentures, which resulted in the issue of 5,263,014 common shares and 10,526,267 Class "A" preferred shares of the Company. All the common shares resulting from this conversion were acquired by parent company Suzano Holding S.A. (Note 26).

There are nonfinancial covenants for the 4th issue debentures. If such clauses are not observed, the resulting effect is that the debt is immediately enforceable. At March 31, 2011, these covenants were fully performed.

19 Provision for contingencies

Provisions for contingencies were set up for probable losses in administrative and legal proceedings related to tax, civil and labor claims in an amount deemed sufficient by management, according to legal counsels' opinion and evaluation.

						Parent Company
			3/31/2011			**12/31/2010**
	Judicial deposits	Accrued amount	Net liabilities	Judicial deposits	Accrued amount	Net liabilities
Tax	(14,388)	137,907	123,519	(27,924)	147,023	119,099
Social security and labor	(5,906)	47,391	41,485	(5,231)	46,536	41,305
Civil	(80)	4,547	4,467	(201)	4,588	4,387
Other	-	9,606	9,606	-	9,606	9,606
	(20,375)	199,452	179,077	(33,356)	207,753	174,397

Consolidated

	3/31/2011			12/31/2010		
	Judicial deposits	Accrued amount	Net liabilities	Judicial deposits	Accrued amount	Net liabilities
Tax	(14,388)	137,907	123,519	(27,924)	147,024	119,100
Social security and labor	(5,906)	54,812	48,906	(5,231)	54,571	49,340
Civil	(80)	4,547	4,467	(201)	4,588	4,387
Other	-	9,606	9,606	-	9,601	9,601
	(20,375)	206,873	186,498	(33,356)	215,784	182,428

Changes in provision for contingencies (without deducting judicial deposits) are as follows:

	Parent Company	Consolidated
Opening balances	**207,753**	**215,784**
Add-on/ Recording of provision	**6,811**	**6,811**
Reversal of provision	**(2,544)**	**(3,154)**
Monetary restatement	**4,312**	**4,312**
Settlement of lawsuits	**(16,880)**	**(16,880)**
Closing balances	**199,452**	**206,873**

Significant proceedings are commented below:

COFINS

The Company had COFINS judicial deposits amounting to R$33.2 million made in lawsuits that challenge the amendments of Law No. 9718/98, R$9.2 million referring to the extension of the calculation basis, the case laws of which are generally accepted to the benefit of taxpayer and R$24 million referring to the tax rate increase, the case laws of which are generally accepted to the benefit of federal government and to which provisions were recorded.

In March 2011, out of the amount of R$24 million, R$17.3 million was converted into income to the Federal Government.

Therefore, of the amounts converted and to be converted into income to the Federal Government, the Company probably will recover R$12 million by force of REFIS/2009 and the lapse of right recognized in the administrative proceeding.

Other tax claims

The Company figures as defendant in legal or administrative proceedings, which involve other taxes, such as PIS (Social Integration Program), IPI (Excise Tax), ICMS (State Value-Added Tax), IR (Income Tax), Social Security Contributions, summing up R$447.5 million, whose chances of loss are estimated as possible, and, therefore, not accrued in the quarterly financial information.

Labor claims

The Company is a defendant in labor claims amounting to R$38.2 million to which the chances of loss are probable, therefore, they were duly accrued. In addition, the Company is a defendant in labor claims amounting to R$15.6 million, to which the chances of loss are possible.

Civil claims

The Company is a defendant in civil claims amounting to R$4.5 million, to which the chances of loss are probable and provisions have been recorded for such claims. In addition, the Company is a defendant in civil claims amounting to R$7.7 million to which the chances of loss are possible.

20 Actuarial liabilities

The Company ensures three defined benefit plans for life to a certain group of retirees:

- Sepaco health insurance program: ensures the health care costs with an accredited network and Hospital Sepaco for former employees who requested retirement until 2003 (until 1998 for Ripasa's former employees), as well as their spouses for life and dependants until they complete full age.

- Bradesco health insurance program: bears Bradesco Saúde health care expenses for a group of former employees, who exceptionally, according to the Company's criteria and resolution, were vested with rights related to the compliance with Articles 30 and 31 of Law No. 9656/98.

- Life insurance: life insurance benefit provided to retirees with Bradesco.

At March 31, 2011, the amount of future liabilities related to these benefits, recorded by the Company was R$164,917 (R$162,691 at December 31, 2010). The actuarial methods adopted comply with the CPC 33 – Employee Benefits. The economic and biometric assumptions used in calculations were: annual discount rate of 6.00%, health costs annual growth rate of 3.0% and general mortality biometric table AT-83.

Changes in the actuarial liability are as follows:

	Parent Company
	3/31/2011
Opening balances	**162,691**
Interest on actuarial liability	**4,215**
Opening balances	**(1,989)**
Interest on actuarial liability	**164,917**

21 Defined contribution private pension plan

In January 2005, the Company established a supplementary defined contribution private pension plan for its employees, called Suzano Prev, and hired a financial institution to manage this plan. When Suzano Prev was created, the Company defined that it will pay the contribution related to previous year for all employees, on account of services rendered to the Company in periods prior to the organization of the Plan (past service). This disbursement will occur over the following years, calculated separately, until each employee then becomes eligible for the Plan benefit payouts. Company (employer) contributions in the year ended March 31, 2011, amounted to R$1,246, whereas employee contributions amounted to R$1,939 (R$1,286 and R$1,609 in the quarterly ended March 31, 2010, respectively).

22 Share-based payments

Description of Share-based payment plans paid in cash

The Company has a long-term incentive plan ("ILP") for its key management personnel, linked to the Company share price to be paid in Brazilian Reais (BRL). General acquisition and grant conditions are established by the Company concerning "phantom shares" to these executives (beneficiaries), which are annually defined in specific regulations and administered by the Management Committee according to the guidelines and conditions established by the Company's Articles of Incorporation and Board of Directors.

The quantities of phantom shares to be granted to each beneficiary are determined by dividing the amount of wages granted, determined based on - i) achievement of goals; ii) discretionary quantities allocated by the Executive Board; and iii) vested quantities, based on the beneficiary's short-term compensation investment, limited to two salaries, added by a matching contribution by the Company -, into the arithmetic mean of the closing quote price of the Company's preferred shares traded in the last 90 trading floor sessions.

Vesting conditions have been fully met after a grace period from one to three years, and if applicable, until a limit period of six years as of the grant date. Vesting conditions are not fully met when: i) in the programs in which vesting is possible, as item iii) in the preceding paragraph, in case of the dismissal for cause or voluntary resignation, in these cases, the beneficiary automatically loses any right to exercise the phantom shares granted to him with no indemnification whatsoever, except only in vesting-related quantities; and ii) in case of dismissal without cause or retirement before becoming vested to the exercise of phantom shares, given to the beneficiary the right to immediately exercise all of the phantom shares stock.

Between 2004 and 2006, the phantom share appreciation was limited to 120% of their grant value.

The exercise price for each phantom share is determined by the average of the Company's preferred shares in the last 90 floor sessions as from the exercise date, plus dividends and interest on shareholders' equity distributed between the grant date and exercise date, multiplied by a performance percentage of the Company in relation to its competitors, if applicable.

Share-based payment plan paid in shares or alternatively in cash (Class "A" preferred shares stock option)

At the Special Shareholders' Meeting held on August 29, 2008, the Class "A" ("Plan") preferred shares Stock Option Plan was approved to certain executives. On August 10, 2009 (grant date) and on August 11, 2010, the Board of Directors, by means of Special Commission created for this purpose, approved the Regulation and Agreements of the Company's First and Second Stock Option Program, respectively.

The plan stipulates the Company's general conditions for the acquisition and granting of stock options to its executives, management and employees (beneficiaries), which are defined in specific regulations and administered by the Management Committee according to the guidelines and conditions established by the Company's Articles of Incorporation and the Board of Directors.

According to the Plan, the options granted cannot exceed 2% of the Company's total paid-up and subscribed capital stock, as well as, they shall derive from, as suggested by the Management Committee and approved by the Board of Directors: (i) issue of new shares, within the limit of the Company's authorized capital; and/or (ii) treasury shares.

At the Management Committee meeting held on August 10, 2009 and August 11, 2010 *(grant dates)*, the first and second Program of the Plan were approved, in which the Company granted stock options to beneficiaries as well as it defined the following conditions so that these beneficiaries are entitled to exercise these options (*vesting and non-vesting conditions*): i) in the event of dismissal with cause, or request for voluntary dismissal or retirement, the beneficiary will automatically lose any right to exercise the options granted thereto, without indemnification; ii) in the assumption of dismissal without cause, the terms foreseen to exercise the stock options will be anticipated and the beneficiary will be entitled to immediately exercise all the options; iii) in the lack of the situation (i) mentioned above, the vesting conditions are deemed as fully met, thus allowing the beneficiary to exercise his/her options under the terms defined by regulation.

During the grace period of options exercise, the beneficiary is forbidden to sell or record any burden incurred on these options. Below, the grace periods and limits:

Program	Grace period	Number of Class "A" preferred shares
Program 1	1st exercise date: from 06/01/2010 to 12/31/2012	62,500 shares or 12.5% of total shares under option
	2nd exercise date: from 06/01/2011 to 12/31/2012	62,500 shares or 12.5% of total shares under option
	3rd exercise date: from 06/01/2012 to 12/31/2012	Remaining balance of shares or 75% of total shares under option
Program 2	1st exercise date: from 08/01/2013 to 12/31/2015	120,000 shares or 20% of total shares under option
	2nd exercise date: from 08/01/2014 to 12/31/2015	120,000 shares or 20% of total shares under option
	3rd exercise date: from 08/01/2015 to 12/31/2015	Remaining balance of shares or 60% of total shares under option

The Strike Price was R$14.56 per option for program 1 and R$15.53 per option for program 2, less dividends and interest on shareholders' equity distributed between the grant date and the option exercise, both adjusted based on the Company's weighted average cost of capital ("WACC") calculated by renowned financial institutions.

Condition exclusively applicable to Program 1, if on the options exercise date the difference between the exercise price and the unit price of class "A" preferred shares issued by the Company traded at BOVESPA (Market Price) on the start date of each vesting period is less than eight reais (R$8.00) (Reference Value) or the beneficiary declares he/she does not intend to exercise the option fully or partially, alternatively, the Company will make an extraordinary payment in cash ("Extraordinary Payment") to the beneficiary corresponding to the income earned by the Reference Value multiplied by the amount of non-exercised options, less total Market Price, less Strike Price multiplied by the amount of non-exercised options.

At March 31, 2011, there were 4,155 thousand preferred treasury shares which can guarantee the options granted by the Plan.

The table below shows the maximum percentage of dilution of the holding to which current shareholders may be submitted in the event the beneficiaries exercise until 2015 all stock options granted and not opt for the alternative settlement in cash, where applicable:

Assumptions	3/31/2011
Number of shares (thousand)	393,103
Balance of the series granted in effect (thousand)	1,038
Maximum dilution of corporate interest	0.26%

Summary of changes related to share-based payments

Whenever applicable, the bonus shares were included, according to the material fact notice of April 30, 2010:

Long-Term Incentive – phantom shares

Parent Company and Consolidated

3/31/2011

Granted program	Grant date	Fair value on the grant date	Fair value at the end of the period	1st exercise date	2nd exercise date and settlement	Shares					Weighted average price of exercised shares
						Granted	Exercised	Exercised due to dismissal	Not exercised due to dismissal	Total in effect on 3/31/2011	
ILP2006 (P)	May-07	23.38	14.58	Sep-10	Sep-13	31,105	-	-	-	10,541	-
ILP2006 (D)	May-07	16.32	14.58	Sep-10	Sep-13	15,783	-	-	-	15,783	-
ILP2007 (PN)	Mar-08	34.74	14.58	Mar-11	Mar-14	146,180	(76,542)	(2,870)	-	66,768	14.62
ILP2007 (PA)	Mar-08	43.38	8.76	Mar-11	Mar-14	10,181	(2,756)	-	-	7,425	9.50
ILP2007 (PE)	Aug-08	34.74	14.58	Sep-14	-	8,996	-	-	-	8,996	-
ILP2008 (R3)	Mar-08	25.68	14.58	Mar-11	-	238,670	(238,670)	-	-	-	14.58
ILP2008 (A)	Jul-08	34.74	14.58	Mar-12	Mar-15	78,019	-	(1,961)	-	76,058	15.61
ILP2009 (A)	Jul-08	34.74	14.58	Mar-13	Mar-16	78,019	-	(1,961)	-	76,058	15.61
ILP2008 (PN)	Jan-09	18.01	14.58	Mar-12	Mar-15	23,334	-	-	-	23,334	-
ILP2008 (PN)	Mar-09	15.11	14.58	Mar-12	Mar-15	276,997	-	(4,508)	-	258,221	15.61
ILP2009 (D)	Mar-09	15.11	14.58	Mar-12	Mar-15	129,926	-	(4,508)	-	125,418	15.61
ILP2009 (M)	Sep-09	15.11	14.58	Mar-12	Mar-15	209,057	-	(9,486)	-	197,602	15.26
ILP2009	Mar-10	23.86	14.58	Mar-13	Mar-16	275,448	-	-	-	255,543	-
ILP2009 (B)	Mar-10	19.29	14.58	Sep-13	Sep-16	32,406	-	-	-	32,406	-
ILP2009 (J)	May-10	21.56	14.58	Sep-13	Sep-16	3,188	-	-	-	3,188	-
ILP2009 (L)	Aug-10	20.15	14.58	Sep-13	Sep-16	4,653	-	(4,653)	-	-	15.26
ILP 2010	Mar-11	18.64	14.58	Mar-14	Mar-17	453,242	-	-	-	453,242	-
TOTAL						2,015,204	(317,968)	(29,947)	-	1,610,583	14.84

Parent Company and Consolidated

12/31/2010

Granted program	Grant date	Fair value on the grant date	Fair value at the end of the period	1st exercise date	2nd exercise date and settlement	Shares					Weighted average price of exercised shares
						Granted	Exercised	Exercised due to dismissal	Not exercised due to dismissal	Total in effect on 12/31/2010	
ILP2006 (P)	May-07	23.38	17.17	Sep-10	Sep-13	31,105	-	-	-	31,105	-
ILP2006 (D)	May-07	16.32	17.17	Sep-10	Sep-13	15,783	-	-	-	15,783	-
ILP2007 (PN)	Mar-08	34.74	19.52	Mar-11	Mar-14	146,180	-	-	-	146,180	-
ILP2007 (PA)	Mar-08	43.38	14.69	Mar-11	Mar-14	10,181	-	-	-	10,181	-
ILP2007 (PE)	Aug-08	34.74	19.52	Sep-14	-	8,996	-	-	-	8,996	-
ILP2008 (R3)	Mar-08	25.68	15.61	Mar-11	-	238,670	-	-	-	238,670	-
ILP2008 (A)	Jul-08	34.74	19.52	Mar-12	Mar-15	78,019	-	-	-	78,019	-
ILP2009 (A)	Jul-08	34.74	19.52	Mar-13	Mar-16	78,019	-	-	-	78,019	-
ILP2008 (PN)	Jan-09	18.01	19.52	Mar-12	Mar-15	23,334	-	-	-	23,334	-
ILP2008 (PN)	Mar-09	15.11	19.52	Mar-12	Mar-15	276,997	-	-	(14,268)	262,729	16.06
ILP2009 (D)	Mar-09	15.11	19.52	Mar-12	Mar-15	129,926	-	-	-	129,926	-
ILP2009 (M)	Sep-09	15.11	19.52	Mar-12	Mar-15	209,057	-	-	(1,969)	207,088	16.06
ILP2009	Mar-10	23.86	19.52	Mar-13	Mar-16	275,448	-	(4,976)	(14,929)	255,543	16.06
ILP2009 (B)	Mar-10	19.29	19.52	Sep-13	Sep-16	32,406	-	-	-	32,406	-
ILP2009 (J)	May-10	21.56	19.52	Sep-13	Sep-16	3,188	-	-	-	3,188	-
ILP2009 (L)	Aug-10	20.15	19.52	Sep-13	Sep-16	4,653	-	-	-	4,653	-
TOTAL						1,561,962	-	(4,976)	(31,166)	1,525,820	16.06

Long-Term Incentive – Class “A” preferred shares stock option

Parent Company and Consolidated

											3/31/2011
					Price		**Number of shares**				
Program	**Granted series**	**Grant date**	**1st exercise date**	**2nd exercise date**	**On the grant date**	**End of the period**	**Granted**	**Exercised**	**Not exercised due to dismissal**	**Expired**	**Total in effect on 3/31/2011**
Program 1	Series I	08/10/2009	06/01/2010	12/31/2012	11.36	-	62,500	62,500	-	-	-
	Series II	08/10/2009	06/01/2011	12/31/2012	11.36	7.24	62,500	-	-	-	62,500
	Series III	08/10/2009	06/01/2012	12/31/2012	11.36	7.24	375,000	-	-	-	375,000
Program 2	Series I	08/11/2010	08/01/2013	12/31/2015	5.97	4.04	120,000	-	-	-	120,000
	Series II	08/11/2010	08/01/2014	12/31/2015	5.97	4.04	120,000	-	-	-	120,000
	Series III	08/11/2010	08/01/2015	12/31/2015	5.97	4.04	360,000	-	-	-	360,000
TOTAL							1,100,000	62,500	-	-	1,037,500

Recognition and measurement of fair value of share-based payments

In order to calculate the fair value of phantom shares and class “A” preferred shares stock option, with or without alternative payment in cash, the Company used the Suzb5 share of each year based on the program calculation model multiplied by the 125% performance percentage, where applicable.

For the ILP 2007 program, due to the alternative choice of shares with combined characteristics of share and share option, defined in the program policy effective in December 2007, to determine the fair value of these phantom shares and also to measure the fair value of Class “A” preferred shares stock options at the end of the period, the Company used the mathematical model of approximation for U.S. type options Bjerksund & Stensland, which considers the dividends distribution rate and the following mathematical assumptions:

Description of assumptions	**Index**		
	Phantom stocks	**Option**	
		Program I	**Program II**
Asset base price	R$14.58 / share	R$15.05 / share	R$15.05 / share
Expectation of volatility	22.92% p.a.	34.39% p.a.	34.39% p.a.
Phantom stocks/options average life expectancy	2.96 years	1.78 year	4.41 years
Dividends expectancy	2.93% p.a.		
Risk-free weighted average interest rate	12.88% average		

(1) The asset base price was defined considering the arithmetic mean of the closing price of the last 90 trading floor sessions for Suzb5 share;
(2) The expected volatility was calculated for each exercise date, taking into account the remaining time to complete the vesting period, as well as the historical volatility of returns, considering a standard deviation of 90 observations of returns;
(3) The expected average life of phantom shares and stock options was defined by the remaining term until the limit exercise date;
(4) The expected dividend was defined based on historical earnings per share of the Company;
(5) Risk-free weighted average interest rate used was the BRL yield curve (DI expectation) observed on the open market, which is the best comparison basis with the Brazilian market risk-free interest rates. The rate used for each exercise date changes according to the vesting period.

Set out below are amounts corresponding to services received and recognized in the quarterly financial information:

	Parent Company and Consolidated			
	Liabilities and Shareholders' equity		Result	
			Quarterly ended on	
	3/31/2011	12/31/2010	3/31/2011	3/31/2010
Non-current liabilities				
Provision including phantom stocks plan	**11,033**	15,603	**(536)**	(1,564)
Provision including stock option plan	**2,521**	2,143	**(378)**	914
Total share-based compensation plan	**13,554**	17,746		
Shareholders' equity				
Stock option reserve	**561**	350	**(211)**	-
Result			**(1,125)**	(650)

23 Debt related to the acquisition of land and reforestation

The Company and its subsidiaries carried out transactions for the acquisition of land and reforestation through "Purchase Agreements" and "Mortgage-Backed Securities" ("CRI") as presented below:

Acquiring companies	**Suzano**	**Ondurman**	**Amulya**
Features of the agreement			
Amount of the agreement	158,367	75,000	59,379
Type of property	Forests / Lands	Lands	Lands
Type of agreement	Purchase and sale	CRI	CRI
Insurance / issuing company	not applicable	Brazilian Securities	Brazilian Securities
Trustee	not applicable	Oliveira Trust Dist. Tít. Mob.	Oliveira Trust Dist. Tít. Mob.
Date of issue	07/13/2009	10/27/2009	2/21/2011
Final term	07/13/2012	10/27/2023	2/24/2025
Number of installments	12	168	168
Payment periods	Quarterly	Monthly	Monthly
Term	3 years	14 years	14 years
Readjustment index	not applicable	Referece Rate	Referece Rate
Compensatory interest	not applicable	11.23% p.a.	11.22% p.a.

At March 31, 2011, the Company had debt related to the acquisition of land, farms and reforestation amounting to R$91,409 (parent company) and R$222,338 (consolidated), classified in current and non-current liabilities (R$104,529 in Company and R$176,800 in consolidated at December 31, 2010).

24 Commitments

Vale Florestar

In 2009, the Company entered into an agreement with Vale to acquire 31.5 million m^3 of timber deriving from cultivation of eucalyptus trees of “Programa Vale Florestar”, which has been implemented in the state of Pará since 2007, to be provided to the Company in the period comprised between 2014 and 2028. The price conditions for these volumes will be determined upon the harvest of volumes to be delivered to the Company.

Rail freights

In order to meet an important logistic structure necessary for the future Manufacturing Unit of Maranhão, the Company entered into an agreement with Ferrovia Norte Sul S.A. for the railway transportation of 1.3 million tons/year of eucalyptus pulp as of 2014, for a 360-month term as of the first day of the month immediately subsequent to the effective startup of this new manufacturing plant.

25 Financial instruments

a. Overview

Company management is focused on generating consistent and sustainable results over time. Factors of external risk related to fluctuations of market prices may introduce an unwelcome level of volatility in the Company’s cash flows and income statement. To manage this volatility so as not to distort or hinder the Company's consistent growth over a long time, the Company has policies and procedures for market risk management.

These policies seek: (i) to protect the Company’s cash flows and assets against fluctuations of the market prices of raw material and products, exchange rates and interest rates, price indices and restatement, or other assets or instruments traded on net value or not (”market risk”) to which the value of assets, liabilities and cash flow of the Company are exposed; and (ii) to optimize the process of taking out financial instruments for protection against exposure to risk, drawing on natural hedges and correlations between prices of different assets and markets, avoiding the waste of funds through taking out inefficient operations. The objective of all financial transactions entered by the Company is to protect it against existing exposures, the assumption of new risks, except those arising from operating activities of Suzano, being forbidden.

Market risk management process comprises the following sequential and recurrent phases: (i) identification of risk factors and exposure of assets value, cash flows and Company’s net income to market risks; (ii) measurement and report of the values at risk; (iii) evaluation and definition of strategies for market risk management; and (iv) implementation and monitoring of performance of the strategies. Risk exposures are evaluated and controlled with the assistance of integrated operating systems, with appropriate segregation of duties in reconciliations with counterparties.

The Company uses the more liquid financial instruments and: (i) does not take out leveraged transactions or other types of embedded options that change its purpose of protection (hedge); (ii) has no debt with double index or other forms of implicit options; and (iii) neither has transactions that require margin deposit nor other forms of guarantee for the credit risk of the counterparties.

b. Valuation

The financial instruments recorded in the balance sheets, such as cash and banks, loans and financing, are stated by their contractual values. The marketable securities and derivative agreements, used for protection purposes only, are stated at fair value.

For determining fair market values of assets or liquid financial instruments traded on the public market, the closing market price at the balance sheet dates was used. The fair value of swaps and of the interest rate and index is calculated at the present value of its future cash flows, discounted at current interest rates available for operations with conditions and terms of similar remaining maturity. This is calculated based on BM&FBovespa and Anbima (Brazilian Association of Capital and Financial Market Institutions) quotes for BRL-denominated interest rate operations, British Bankers Association and Bloomberg for Libor rate operations. The fair value of futures or forward exchange rate agreements is determined using forward exchange rates prevailing on the balance sheet dates, according to BM&FBovespa quotes.

Fair value of debt deriving from the 1st series of the 3rd issue of the Company's debentures is calculated based on the secondary market quotes published by Anbima on the balance sheet dates. In order to determine the fair value of assets or financial instruments traded on the over-the-counter markets or without liquidity, several assumptions and methods are used based on the usual market conditions (and not for settlement or forced sale) at each balance sheet date, including the utilization of option pricing models, such as Black & Scholes and Garman-Kolhagen, and estimates of future discounted cash flows. The fair value of agreements for pulp and paper pricing is obtained through the price quotation for corresponding for instruments with similar conditions and remaining terms with major participants of this market. Finally, the fair value of agreements for oil pricing is based on the New York Mercantile Exchange quotes (NYMEX).

The result of financial instruments trading is recognized on the closing dates or contracting of operations, where the Company undertakes to buy or sell these instruments. The liabilities deriving from the contracting of financial instruments are removed from our financial statements only when these instruments expire or when the risks, obligations and rights deriving therefrom are transferred.

The comparison between fair value and carrying value of outstanding financial instruments is shown as follows:

	Consolidated			
	3/31/2011		12/31/2010	
	Book Value	Fair Value	Book Value	Fair Value
ASSETS				
Cash and cash equivalents	**1,830,245**	**1,830,245**	3,735,438	3,735,438
Derivative operations gains (current and non-current)	**35,055**	**35,055**	27,272	27,272
Trade accounts receivable	**854,714**	**854,714**	792,057	792,057
LIABILITIES				
Accounts payable to suppliers	**334,983**	**334,983**	277,107	277,107
Loans and financing (current and non-current)	**6,341,611**	**6,425,457**	6,531,559	6,611,822
Debentures (current and non-current)	**648,452**	**725,114**	624,836	701,789
Derivative operations losses (current and non-current)	**59,110**	**59,110**	67,281	67,281

c. Credit risk

Sales and credit policies determined by the management of the Company and its subsidiaries aim at minimizing risks, if any, deriving from their clients' default. This objective is achieved by means of judicious selection of client portfolio, which takes into account the payment capacity (credit analysis), and sales diversification (risk dispersion), besides obtaining guarantees or contracting instruments that mitigate credit risks, mainly the export credit insurance policy.

Interest rate and exchange rate risk

The raising of funds and exchange rate hedge policy of the Company are guided by the fact that more than 50% of net revenue comes from exports with prices in Dollars, while most of the production cost is tied to the Real. This structure allows the Company to engage in financing for export in Dollars at more competitive costs than those of local lines and to match financing payments to the flow of receipts from sales, providing a natural hedge of cash for these commitments. The exceeding revenue in dollars not tied to the commitments of debt and other obligations is sold in the exchange market by the time of the funds inflow into the country.

As additional protection, sales of Dollars in futures markets are contracted as a way to provide attractive levels of operating margins for one portion of the revenue. Sales in the futures markets are limited to a minority percentage of the exceeding funds on the timeline of one year and, therefore, are matched to the ready availability of foreign exchange for short-term sale.

At March 31, 2011, the principal net amount of operations contracted for forward sale of U.S. dollars was US$170.7 million, US$145.7 million through of Non-Deliverable Forwards ("NDFs") and US$25 million through "zero-cost collar". Their maturities fall between April 2011 and January 2014, as a way of setting the operational margins of a minority portion of sales over this period. The cash effect of these operations only will occur on their maturity dates, when cash disbursement or receipt is generated, as the case may be.

So, in the case of depreciation of the Real, two effects are observed: (i) the first, negative and sharp, is related to the restatement of net currency exposure (balance of assets and liabilities accounts stated in foreign currency, including, among others, the balances of gross debt and cash denominated in Dollars, the inventory, accounts receivable and payable in foreign currency and the value of positions in swaps of currency to hedge the currency exposure of cash flows); and (ii) the second, positive and permanent, is related to the higher operating cash generation due to increased revenue from exports denominated in Dollars.

In addition to the foreign exchange hedge operations, contracts are concluded for the swap from floating interest rates to fixed rates, to reduce the effect of changes in interest rates on the debt value, and contracts of swap between different interest rates and restatement indices, as a way to minimize the mismatch among the different financial assets and liabilities. In this regard, at March 31, 2011, the Company had outstanding (i) US$784.2 million in outstanding swaps to fix the Libor on contracts for financing, (ii) US$320 million in coupon swaps for a 3-month fixed Libor rate and (iii) R$487 million in pre- to DI % swaps.

The Company does not adopt hedge accounting. Therefore, all results (gains and losses) determined in derivative operations (settled and outstanding) are fully recognized in the unconsolidated and consolidated income statement for the period. Note 28 shows derivatives gains and losses that affected the statement of income for the years.

d. Outstanding derivatives

Consolidated positions of outstanding derivatives at March 31, 2011 and December 31, 2010, grouped by asset or benchmark index, all of them traded at the over-the-counter market, are stated as follows:

Description	Maturities	Benchmark value (notional) on		Fair value on		Equity balances on			
						3.31.2011		12.31.2010	
		3.31.2011	12.31.2010	3.31.2011	12.31.2010	Payable	Receivable	Payable	Receivable
Foreign currency swaps									
Long position - US$ Libor	4/1/2011 until	1,277,251	1,347,399	1,279,674	1,349,535	-	-	-	-
Short position - US$ fixed rate	4/11/2019	1,277,251	1,347,399	1,332,553	1,410,196	-	-	-	-
Subtotal				(52,879)	(60,661)	55,388	2,509	62,862	2,201
Value at Risk (VaR) (1)				1,653	2,658	-	-	-	-
Rates and indexes swaps									
Long position - R$ fixed rate		486,984	506,984	513,499	524,929	-	-	-	-
Long position - TR + coupon	6/7/2011 until								
Long position - US$ coupon	3/15/2013					-	-	-	-
Short position - % DI		486,984	506,984	515,629	525,198	-	-	-	-
Subtotal				(2,130)	(269)	2,139	10	782	514
Value at Risk (VaR) (1)				632	8	-	-	-	-
Currency swaps - NDF									
Long position in R$ x US$	4/8/2011 until	-	-	-	-	-	-	-	-
Short position in R$ x US$	1/8/2014	237,302	137,262	7,635	8,490	-	-	-	-
Subtotal				7,635	8,490	-	7,635	-	8,490
Value at Risk (VaR) (1)				1,754	1,305	-	-	-	-
Currency options - Zero Cost Collar									
Launching position in R$ x US$ - buy	5/2/2011	40,719	41,656	-	(38)	-	-	-	-
Holding position in R$ x US$ - sell		40,719	41,656	5,130	3,768	-	-	-	-
Subtotal				5,130	3,730	-	5,130	39	3,767
Value at Risk (VaR) (1)				305	320	-	-	-	-
Commodities swaps									
Short position in pulp BHKP	3/31/2011 until 2/28/2013 (2)	171,502	168,953	(189)	(3,373)	-	-	-	-
Subtotal				(189)	(3,373)	1,583	1,393	3,598	225
Value at Risk (VaR) (1)				31	25	-	-	-	-
Commodities swaps									
Long position in oil	4/29/2011 (2)	70,889	16,520	2,298	452	-	-	-	-
Subtotal				2,298	452	-	2,298	-	452
Value at Risk (VaR) (1)				13	5	-	-	-	-
Other									
Long position - currency coupon		407,175	333,240	21,970	55,819	-	-	-	-
Long position - Libor + spread	4/4/2011 until	114,009	116,634	758	1,671				
Short position - US$ fixed Libor	4/1/2015	407,175	333,240	12,681	45,402	-	-	-	-
Short position - R$ x US$		114,009	116,634	175	466				
Subtotal				16,080	11,622	-	16,080	-	11,623
Value at Risk (VaR) (1)				123	108	-	-	-	-
Total result in swaps				(24,055)	(40,009)	59,110	35,055	67,281	27,272

(1) VaR with 1day holding period, with a confidence level of 95%

(2) Settlement date different from maturity date

Same consolidated positions of outstanding derivatives at March 31, 2011 and December 31, 2010, grouped by counterparty, are stated as follows:

Description	Benchmark value (notional) on		Fair value on		Equity balances on		Equity balances on	
					3.31.2011		12.31.2010	
	3.31.2011	12.31.2010	3.31.2011	12.31.2010	Payable	Receivable	Payable	Receivable
Foreign currency swaps								
Counterparties								
BTG Pactual	**237,547**	245,099	**(11,760)**	(12,374)				
Itaú BBA	**461,508**	486,031	**(20,931)**	(26,506)				
JP Morgan	**154,727**	170,786	**(5,883)**	(6,545)				
Merrill Lynch	**71,256**	83,310	**(859)**	(1,141)				
Standard Bank	**122,153**	124,965	**(6,845)**	(7,254)				
Standard Chartered	**230,060**	237,209	**(6,601)**	(6,841)				
Subtotal			**(52,879)**	(60,661)	**55,388**	**2,509**	**62,862**	**2,201**
Rates and indexes swaps								
Counterparties								
Itaú BBA								
Banco Santander								
Banco do Brasil	**317,000**	317,000	**(1,540)**	381				
Barclays	**10,000**	10,000	**10**	8				
Unibanco								
HSBC	**159,984**	179,984	**(600)**	(658)				
Subtotal			**(2,130)**	(269)	**2,139**	**10**	**782**	**514**
Currency swaps - NDF								
Counterparties								
Short position in R$ x US$								
BTG Pactual	**-**	-	**-**	-				
Banco do Brasil S.A.	**-**	-	**-**	-				
Itaú BBA	**155,867**	3,999	**4,818**	576				
Merrill Lynch	**81,435**	89,208	**2,817**	5,270				
Banco Santander	**-**		**-**					
Standard Bank	**-**	2,399	**-**	346				
HSBC	**-**		**-**					
Rabobank Brasil	**-**	41,655	**-**	2,298				
Subtotal			**7,635**	8,490	**0**	**7,635**	**-**	**8,490**
Currency options - Zero Cost Collar								
Counterparties								
Launching position in R$ x US$ - buy								
Merrill Lynch	**-**	-	**-**	-				
Standard Bank	**40,718**	41,655	**0**	(38)				
Votorantim	**-**	-	**-**	-				
Holding position in R$ x US$ - sell								
Merrill Lynch	**-**	-	**-**	-				
Standard Bank	**40,718**	41,655	**5,130**	3,768				
Votorantim	**-**	-	**-**	-				
Subtotal			**5,130**	3,730	**0**	**5,130**	**39**	**3,767**
Commodities swaps - pulp								
Counterparties								
Nordea Bank Finland P/C	**171,502**	150,958	**(189)**	(2,950)				
Standard Chartered	**-**	17,995		(423)				
Subtotal			**(189)**	(3,373)	**1,583**	**1,393**	**3,598**	**225**
Commodities swaps - oil								
Counterparties								
JP Morgan	**70,889**	-	**2,298**	-				
Standard Chartered	**-**	16,520	**-**	452				
			2,298	452	**-**	**2,298**	**-**	**452**
Other								
Counterparties								
JP Morgan	**521,184**	449,874	**16,080**	11,622				
Subtotal			**16,080**	11,622	**-**	**16,080**	**-**	**11,623**
Total result in swaps			**(24,055)**	(40,009)	**59,110**	**35,055**	**67,281**	**27,272**

e. Settled derivatives

Accumulated settled derivatives positions in the periods ended March 31, 2011 and 2010, grouped by asset or referential index, all of them traded at the over-the-counter market, are stated as follows:

Description	Maturities	Benchmark value (notional) on		Fair value (settlement value) accumulated on	
		3.31.2011	3.31.2010	**3.31.2011**	3.31.2010
Foreign currency swaps	1Q10: 1/4 to 3/30 1Q11: 1/4 to 3/30				
Long position - US$ Libor		**435,505**	**559,086**		
Short position - US$ fixed rate		**435,505**	**559,086**		
Subtotal				**(6,177)**	(7,273)
Rates and indexes swaps					
Long position - TR + coupon					
Long position - R$ fixed rate	**1Q11: 3/15 to 3/18**	**170,000**	-		
Long position - US$ coupon					
Short position - % DI		**170,000**			
Subtotal				**78**	-
Currency swaps	1Q10: 2/8 to 3/22 1Q11: 1/3 to 3/8				
Long position in R$ x US$			133,575		
Short position in R$ x US$		**82,380**	455,494		
Subtotal				**7,974**	1,186
Currency options					
Launching position in R$ x US$ - sell	**1Q10: 2/1**		44,525		-
Holding position in R$ x US$ - buy		**-**	44,525	**-**	-
Short position in put (R$/US$)			-		-
Subtotal				**-**	-
Commodities swaps	1Q10: 1/8 to 3/5 1Q11: 1/7 to 3/7				
Short position in pulp BHKP		**17,004**	35,825		
Subtotal				**(3,676)**	(4,065)
Commodities swaps	**1Q11: 1/7 to 3/7**				
Long position in oil		**60,156**	-		
Subtotal				**1,110**	
Other	1Q10: 3/11 1Q11: 1/4 to 3/11				
Long position - currency coupon		**16,287**	17,810		
Long position - Libor + spread		**114,009**			
Short position - US$ fixed Libor		**16,287**	17,810		
Short position - R$ x US$		**114,009**			
Subtotal				**513**	325
Total result in swaps				**(178)**	(9,827)

f. Statement of sensitivity analysis

The table below shows the sensitivity of outstanding derivatives consolidated positions at March 31, 2011, which represents the Company's major exposure in the short term, as stated in item (d), prices and rates variations in underlying assets:

Description	Fair value	Scenarios on 03/31/2011			
		Risk	Probable	25% deterioration	50% deterioration
Foreign currency swaps AssetsUS$ Libor x Liability US$ Fixed (1)	**-52,879**	Libor drop	-51,242	-61,559	-72,433
Rates and indesex swaps Assets fixed rate (2) in R$ x Liability % DI	**-2,129**	High curve- fixed	-598	-20,520	-38,968
Currency swaps (NDF) Short position in R$ x US$ (3)	**7,635**	R$/US$ exchange rate increase	827	-58,745	-118,317
Lauching position - buy Foreign currency - R$ x US$ (4)	**0**	R$/US$ exchange rate increase	0	-145	-7,810
Holding position - sell Foreign currency - R$ x US$ (5)	**5,130**	R$/US$ exchange rate increase	3,943	0	0
Commodities swaps Pulp scenario (6)	**-189**	Pulp up	-21,880	-66,165	-110,451
Commodities swaps Oil scenario (7)	**2,298**	Oil down	3,701	-6,264	-16,230

(1) Source for the probable scenario: Bloomberg - market curve on 4/6/2011. Probable 6-month Libor on 12/31/2011: 0.45450% p.a.
25% deterioration: 6-month Libor on 12/31/2011 of 0.340875% p.a. 50% deterioration: 6-month Libor on 12/31/2011 of 0.22725% p.a.
(2) Source for the probable scenario: Brazilian Central Bank Focus Report on 4/6/2011. Probable Selic rate on 12/31/2011: 12.46% p.a.
25% deterioration: Selic rate on 12/31/2011 of 15.58% p.a. 50% deterioration: Selic rate on 12/31/2011 of 18.69% p.a.
(3) Source for the probable scenario: Brazilian Central Bank Focus Report on 4/6/2011. Probable exchange rate on 12/31/2011: R$1.6800 / US$.
25% deterioration: Exchange rate on 12/31/2011 of R$2.1000 / US$. 50% deterioration: Exchange rate on 12/31/2011 of R$2.5200 / US$.
(4) Source for the probable scenario: Brazilian Central Bank Focus Report on 4/6/2011. Probable exchange rate on 12/31/2011: R$1.6800 / US$.
25% deterioration: Exchange rate on 12/31/2011 of R$2.1000 / US$. 50% deterioration: Exchange rate on 12/31/2011 of R$2.5200 / US$.
(5) Source for the probable scenario: Brazilian Central Bank Focus Report on 4/6/2011. Probable exchange rate on 12/31/2011: R$1.6800 / US$.
25% deterioration: Exchange rate on 12/31/2011 of R$2.1000 / US$. 50% deterioration: Exchange rate on 12/31/2011 of R$2.5200 / US$.
(6) Source for the probable scenario: RISI Report on 3/31/2011. Probable BHKP pulp price on 12/31/2011: US$910 / ton.
25% deterioration: Price on 12/31/2011 of US$1,137.50 / ton. 50% deterioration: Price on 12/31/2011 of US$1,365 / ton.
(7) Source for the probable scenario: Bloomberg - quotation of CLZ1 agreement for 4/6/2011. Probable oil price in Dec/2011: US$110.77
25% deterioration: Price in Dec/2010 of US$83.0775. 50% deterioration: Price in Dec/2010 of US$55.385

It is worth mentioning that the management of these positions is dynamic and with the use of current mechanisms to restrict losses (stop-loss systems) and risk exposures, which are affected by assets volatility, the positions are adjusted to the extent that losses, if any, are materialized. Therefore, in the event an impairment scenario occurs as exemplified in the chart above, the Company's positions subject to this impairment would already have been dismantled when they reach the limits established by stop-loss systems.

A probable scenario at March 31, 2011 or the sensitivity analysis for swaps listed under "Other" category in chart of item (e) were not prepared in further detail, since these swaps refer to arbitration operations between Libor rate and currency coupon, and both at fixed rates in said operations, inhibiting the occurrence of any result different from that one already stipulated in the agreement.

g. Capital management

Suzano’s capital management main objective is to ensure that a solid credit rating is sustained and a risk-free capital in order to support businesses and maximize the shareholder value. The Company administers its capital structure and makes adjustments considering the changes in economic conditions.

No changes occurred as to objectives, policies or processes in past fiscal year ended December 31, 2010.

	Parent Company		**Consolidated**	
	3/31/2011	12/31/2010	**3/31/2011**	12/31/2010
Loans and financing	**5,082,023**	5,225,123	**6,341,611**	6,531,559
Debentures	**648,452**	624,836	**648,452**	624,836
(-) Cash and cash equivalents	**(1,586,610)**	(3,484,168)	**(1,830,245)**	(3,735,438)
Net debt	**4,143,865**	2,365,791	**5,159,818**	3,420,957
Shareholders' equity	8,784,671	8,640,671	8,784,671	8,640,671
Shareholders' equity and net debt	**12,928,536**	**11,006,462**	**13,944,489**	**12,061,628**

26 Equity

a) Capital Stock

At March 31, 2011, fully paid-in subscribed capital was R$2,685,183, divided into 408,892,401 non-par shares, of which: 140,039,904 were registered common shares; 266,926,398 were class “A” preferred shares and 1,926,099 were class “B” preferred shares, both book-entry shares. 10,940,879 shares are held in treasury, of which 6,786,194 common shares, 2,244,986 class “A” preferred shares and 1,909,699 class “B” preferred shares. SUZB5 preferred shares closed the period ended March 31, 2011 priced at R$15.06.

Class “A” preferred shares are entitled to dividends per share, at least, 10% higher than those attributed to common shares. Class “B” preferred shares are entitled to priority dividend of 6% p.a. over their share in the capital stock or at least 10% higher than those attributed to common shares. Preferred shares are not entitled to vote, unless when this is provided for in applicable laws.

b) Income reserve

The reserve to increase capital is made up of 90% of the remaining balance of net income for the year, after dividends and legal reserve and aims at ensuring adequate operational conditions to the Company.

The special statutory reserve includes the remainder 10% of the remaining balance of net income for the year and aims at ensuring the distribution of dividends.

c) Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to the Company's shareholders by the weighted average common shares issued during the period, excluding the common shares acquired by the Company and held as treasury shares.

				3/31/2011
	Common	Class A Preferred	Class B Preferred	Total
Profit attributed to shareholders	**45,326**	**98,457**	**6**	**143,789**
Weighted average number of shares in the period	**140,040**	**266,926**	**1,926**	**408,892**
Weighted average treasury shares	**(6,786)**	**(2,245)**	**(1,910)**	**(10,941)**
Weighted average number of outstanding shares	**133,254**	**264,681**	**16**	**397,952**
Basic earnings per share	**0.34015**	**0.37198**	**0.37149**	

				3/31/2010
	Common	Class A Preferred	Class B Preferred	Total
Profit attributed to shareholders	38,520	84,464	5	122,989
Weighted average number of shares in the period	107,822	205,120	1,541	314,483
Weighted average treasury shares	(5,429)	(1,010)	(1,528)	(7,967)
Weighted average number of outstanding shares	102,393	204,110	13	306,516
Basic earnings per share	0.37620	0.41382	0.41381	

Diluted

Diluted earnings per share is calculated by adjusting the weighted average of outstanding preferred and common shares assuming the conversion of all preferred and common shares which would cause dilution. The Company reports two categories of potential shares that would cause dilution: call options by option of the holder and debentures convertible into common and preferred shares.

				3/31/2011
	Common	Class A Preferred	Class B Preferred	Total
Profit attributed to shareholders	**45,326**	**98,457**	**6**	**143,789**
Weighted average number of outstanding shares	**133,254**	**264,681**	**16**	**397,952**
Adjustment by stock options	**76**	**354**	**-**	**430**
Weighted average number of shares (diluted)	**133,330**	**265,036**	**16**	**398,382**
Diluted earnings per share	**0.33995**	**0.37148**	**0.37149**	

				3/31/2010
	Common	Class A Preferred	Class B Preferred	Total
Profit attributed to shareholders	38,520	84,464	5	122,989
Weighted average number of outstanding shares	102,393	204,111	13	306,517
Adjustment by stock options	-	188	-	188
Weighted average number of shares (diluted)	102,393	204,299	13	306,705
Diluted earnings per share	0.37620	0.41343	0.38462	

27 Other operating income, net

	Parent Company			Consolidated	
	3/31/2011	**12/31/2010**		**3/31/2011**	**12/31/2010**
Gain on sale of other products	**2,116**	2,295		**4,147**	3,996
Loss on the sale of electricity	**-**	-		**(359)**	(617)
Provision for contingencies	**-**	(9,678)	**(a)**	**-**	(9,678)
Other (expenses) income	**(275)**	(4,539)		**267**	(589)
Additional actuarial liability	**(4,215)**	(5,451)		**(4,215)**	(5,451)
Gain on the sale of fixed assets	**6,058**	265,361	**(b)**	**6,100**	265,361
Gain (loss) on the sale of investments	**(10)**	176		**(10)**	176
Unrealized income	**(3,412)**	-		**(72)**	-
Total other operating expenses	**(7,912)**	(19,668)		**(4,656)**	(16,335)
Total other operating income	**8,174**	267,832		**10,514**	269,533
Other operating income, net	**262**	248,164		**5,858**	253,198

(a) – See Note 1.1 item “b”.

(b) – Mainly composed of income earned in the operation mentioned in Note 1.1 item “b”.

28 Financial income (expenses), net

	Parent Company		Consolidated	
	Quarterly ended on			
	3/31/2011	3/31/2010	3/31/2011	3/31/2010
Interest expenses	**(113,167)**	(88,748)	**(115,057)**	(90,257)
Monetary and exchange variations - on liabilities	**73,968**	(81,236)	**80,654**	(88,687)
Derivative operations losses - interest rate	**185**	(20,356)	**(13,028)**	(18,924)
Derivative operations losses - exchange rate	**(3,781)**	(15,759)	**(3,781)**	(15,759)
Derivative operations losses - commodities	**-**	-	**1,324**	(13,405)
Other financial expenses	**(21,770)**	(12,600)	**(26,154)**	(16,694)
Total financial expenses	**(64,565)**	(218,699)	**(76,042)**	(243,726)
Interest income	**60,251**	43,891	**60,285**	43,798
Derivative operations gains - interest rate	**(397)**	(2,156)	**19,787**	736
Derivative operations gains - exchange rate	**12,300**	19,009	**12,300**	19,010
Derivative operations gains - commodities	**-**	-	**(491)**	(4,167)
Monetary and exchange variations - on assets	**(14,340)**	10,526	**(17,211)**	13,284
Total financial income	**57,814**	71,270	**74,670**	72,661
Net financial result	**(6,751)**	(147,429)	**(1,372)**	(171,065)

29 Segment information

Management defined pulp and paper as the Group’s operational segments. The main information, by business segment, corresponding to the quarters ended March 31, 2011 and 2010 are the following:

								Consolidated
	3/31/2011				3/31/2010			
	Pulp	Paper	Not segmented	Total	Pulp	Paper	Not segmented	Total
Net revenues	**512,490**	**544,659**	**-**	**1,057,149**	448,409	522,195	-	970,604
Net financial result	**-**	**-**	**(1,372)**	**(1,372)**	-	-	(171,065)	(171,065)
Other net operating revenue	**-**	**-**	**5,858**	**5,858**	-	-	253,198	253,198
Operating income	**117,665**	**73,828**	**4,486**	**195,979**	88,858	28,422	82,133	199,414
Total assets	**7,010,044**	**2,285,621**	**9,606,448**	**18,902,113**	6,921,634	2,326,115	9,665,760	18,913,509

The geographical areas are determined based on the consumer market location. The Company's net revenues classified by geographical area may be thus represented:

	Consolidated					
	Quarterly ended on					
	3/31/2011			3/31/2010		
	Pulp	Paper	Total	Pulp	Paper	Total
Net revenue	**512,490**	**544,659**	**1,057,149**	448,409	522,195	970,604
Domestic market	**94,675**	**352,213**	**446,888**	71,268	319,536	390,804
Foreign market	**417,815**	**192,446**	**610,261**	377,141	202,659	579,800
Asia	**175,199**	**9,170**	**184,369**	176,746	25,149	201,895
Europe	**183,936**	**40,663**	**224,599**	158,307	52,835	211,142
North Ameria	**54,956**	**52,238**	**107,194**	40,917	51,641	92,558
South and Central America	**3,724**	**90,188**	**93,912**	1,171	72,355	73,526
Africa	**-**	**187**	**187**	-	679	679

30 Expenses by nature

	Parent Company		Consolidated	
	3/31/2011	3/31/2010	3/31/2011	3/31/2010
Variable and fixed costs, other selling and administrative expenses	**569,612**	583,231	**584,423**	601,946
Personnel expenses	**132,301**	115,286	**135,172**	117,690
Depreciation, depletion and amortization	**144,058**	131,573	**146,061**	133,687
	845,971	830,090	**865,656**	853,323

31 Insurance coverage

The Company maintains insurance coverage for operational and other risks to safekeep its fixed assets and inventories.

The amount of insurance taken out is deemed sufficient to cover losses, if, any, according to the opinion of insurance expert advisors.

32 Subsequent events

a) Equipment purchase agreements with Metso and Siemens

On April 18, 2011, the Company, complementing the notice issued on February 28, 2011, announced the execution of agreements with Metso and Siemens to acquire main equipment related to the construction of Maranhão manufacturing unit, which will have a total annual capacity of 1.5 million tonnes. The execution of said agreements will enable the anticipation of the plant’s start-up in sex months, forecast for April 30, 2013.

The contract of main equipment with Metso will basically cover the following areas: (i) timber yard; (ii) firing and washing; (iii) fiber line; (iv) 2 driers, packing and shipping; (v) recovery boiler and biomass; (vi) causticizing and lime kiln; (vii) evaporation; and (viii) Distributed Control System (DCS).

The agreement executed with Siemens comprises the acquisition of 2 turbo generators that will meet the plant’s power demand with the exceeding energy of 100MW available for trade.

b) Extraordinary General Meeting approves the 5th issue of private debentures mandatorily convertible into shares

On April 26, 2011, Suzano’s Board of Directors recommended the approval, at shareholders’ general meeting, of private issue of debentures mandatorily convertible into Company’s shares in the amount of R$1.2 billion, due on December 16, 2013 and remunerated at IPCA + 4.5% p.a.

Company’s controlling shareholders will exercise their preemptive right on total debentures they are entitled to, and BNDESPAR, through firm commitment, will subscribe the debenture installment to which it will be entitled as Company's shareholder, as well as eventual debentures not subscribed by other shareholders, at the maximum amount of R$561.8 million.

c) Payment of dividends

As approved at the Extraordinary and Annual General Meeting, on April 29, 2011, the Company announced the approval of the Management proposal for the payment of dividends related to the net income for 2010.

Total gross amount of dividends is R$13,112, equivalent to R$0.031558 per common share (“SUZB3”) and R$0.03473 per Class A and B preferred shares (“SUZB5” and “SUZB6”, respectively).

Shareholders will be paid on May 9, 2011, and credit will be available in checking accounts and bank domicile informed to Itaú Unibanco S.A. – share depositary institution.

Other Information Deemed Relevant by the Company

In compliance with the Corporate Governance Special Practices Rules (Level 1) set out below is a statement of the ownership structure of investor or shareholder owning more than 5% of shares of each type and class of the Company's capital stock, directly or indirectly, including individuals, at March 31, 2011.

OWNERSHIP STRUCTURE – SUZANO PAPEL E CELULOSE S/A
Position at 3/31/2011
CAPITAL - R$2,685,182,767.36

SHAREHOLDER	COMMON SHARES		CLASS "A" PREFERRED SHARES		CLASS "B" PREFERRED SHARES		TOTAL	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%
SUZANO HOLDING S.A	123,240,831	88.00%	694,857	0.26%	2,978	0.15%	123,938,666	30.31%
BNDES PART SA BNDESPAR	-	0,00%	17,831,356	6.68%	-	0.00%	17,831,356	4.36%
IPLF HOLDING S.A	10,000,000	7.14%	-	0.00%	-	0.00%	10,000,000	2.45%
CONTROLLING SHAREHOLDERS AND MANAGEMENT	12,879	0.01%	78,426,513	29.38%	3,083	0.16%	78,442,475	19.18%
TREASURY	6,786,194	4.85%	2,244,986	0.84%	1,909,699	99.15%	10,940,879	2.68%
Other shareholders	-	0.00%	167,728,686	62.84%	10,339	0.54%	167,739,025	41.02%
TOTAL	140,039,904	100.00%	266,926,398	100.00%	1,926,099	100.00%	408,892,401	100.00%

OWNERSHIP STRUCTURE - SUZANO HOLDING S.A
Position at 3/31/2011
CAPITAL - R$1,018,819,520.73 (Annual Shareholders' Meeting - AGO 4/30/2010)

SHAREHOLDER	COMMON SHARES		CLASS "A" PREFERRED SHARES		CLASS "B" PREFERRED SHARES		TOTAL	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%
FANNY FEFFER	14,630,000	27.50%	12,986,379	25.21%	6,063,196	27.52%	33,679,575	26.57%
DANIEL FEFFER	9,642,500	18.13%	9,073,332	17.61%	3,991,700	18.12%	22,707,532	17.91%
DAVID FEFFER	9,642,500	18.13%	9,072,801	17.61%	3,991,700	18.12%	22,707,001	17.91%
JORGE FEFFER	9,642,500	18.13%	9,025,185	17.52%	3,991,700	18.12%	22,659,385	17.88%
RUBEN FEFFER	9,642,500	18.13%	8,995,554	17.46%	3,991,700	18.12%	22,629,754	17.85%
OTHER	-	0.00%	2,369,295	4.60%	3	0.00%	2,369,298	1.87%
TOTAL	53,200,000	100.00%	51,522,546	100.00%	22,029,999	100.00%	126,752,545	100.00%

OWNERSHIP STRUCTURE - IPLF HOLDING S.A
Position at 3/31/2011
CAPITAL: R$338,166,982.75 (Special Shareholders' Meeting - AGE 4/30/2010)

SHAREHOLDER	COMMON SHARES		PREFERRED SHARES		TOTAL	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%
FANNY FEFFER	126,764,000	27.50%	1,194	27.48%	126,765,194	27.50%
DANIEL FEFFER	83,549,000	18.13%	787	18.11%	83,549,787	18.12%
DAVID FEFFER	83,549,000	18.13%	787	18.11%	83,549,787	18.12%
JORGE FEFFER	83,549,000	18.13%	787	18.11%	83,549,787	18.12%
RUBEN FEFFER	83,549,000	18.13%	787	18.11%	83,549,787	18.12%
OTHER	-	0.00%	3	0.07%	3	0.00%
TOTAL	460,960,000	100.00%	4,345	100.00%	460,964,345	100.00%

In compliance with the Corporate Governance Special Practices Rules (Level 1) set out below is a statement of the amount and characteristics of securities issued by the Company to which the Controlling Shareholder, officers and members of the Supervisory Board, Board of Directors and Management Committee are direct or indirect holders, at March 31, 2011 and 2010.

OWNERSHIP STRUCTURE - SUZANO PAPEL E CELULOSE S/A
Position at 3/31/2011
CAPITAL - R$2,685,182,767.36

SHAREHOLDER	COMMON SHARES		CLASS "A" PREFERRED SHARES		CLASS "B" PREFERRED SHARES		TOTAL	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%
CONTROLLING SHAREHOLDER	133,253,710	95.15%	78,392,192	29.36%	6,061	0.57%	211,651,963	51.76%
TREASURY	6,786,194	4.85%	2,244,986	0.84%	1,909,699	99.15%	10,940,879	2.68%
BOARD OF DIRECTORS	-		68,747	0.03%	-	0.00%	68,747	0.02%
BOARD OF EXECUTIVE OFFICERS	-		660,431	0.25%	-	0.00%	660,431	0.16%
SUPERVISORY BOARD	-		14,202	0.01%	-	0.00%	14,202	0.00%
MANAGEMENT COMMITTEE	-		13,419	0.01%	-	0.00%	35,419	0.01%
Other Shareholders	-		185,532,421	69.51%	10,339	0.28%	185,542,760	45.38%
TOTAL	140,039,904	100.00%	266,926,398	100.00%	1,926,099	100.00%	408,892,401	100.00%

OWNERSHIP STRUCTURE - SUZANO PAPEL E CELULOSE S/A
Position at 3/31/2010
CAPITAL - R$2,054,429,845.57

SHAREHOLDER	COMMON SHARES		CLASS "A" PREFERRED SHARES		CLASS "B" PREFERRED SHARES		TOTAL	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%
CONTROLLING SHAREHOLDER	102,392,557	94.96%	62,215,580	30.33%	8,838	0.57%	164,616,975	52.35%
TREASURY	5,428,955	5.04%	1,009,584	0.49%	1,527,759	99.15%	7,966,298	2.53%
BOARD OF DIRECTORS	-	-	54,994	0.03%			54,994	0.02%
BOARD OF EXECUTIVE OFFICERS	-	-	450,811	0.22%			450,811	0.14%
SUPERVISORY BOARD	-	-	11,361	0.01%			11,361	0.00%
MANAGEMENT COMMITTEE	-	-	-	0.00%			-	0.00%
Other Shareholders	-	-	141,377,775	68.92%	4,282	0.28%	141,382,057	44.96%
TOTAL	107,821,512	100.00%	205,120,105	100.00%	1,540,879	100.00%	314,482,496	100.00%

In compliance with the Corporate Governance Special Practices Rule (Level 1), set out below is a statement of the number of outstanding shares and their percentage in relation to total shares issued, at March 31, 2010.

OWNERSHIP STRUCTURE - SUZANO PAPEL E CELULOSE S/A
Position at 3/31/2011
CAPITAL - R$2,685,182,767.36

SHAREHOLDER	COMMON SHARES		CLASS "A" PREFERRED SHARES		CLASS "B" PREFERRED SHARES		TOTAL	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%
SUZANO HOLDING S.A.	123,240,831	88.00%	694,857	0.26%	2,978	0.15%	123,938,666	30.31%
IPLF HOLDING S/A	10,000,000	7.14%	-	0.00%	-	0.00%	10,000,000	2.45%
TREASURY	6,786,194	4.85%	2,244,986	0.84%	1,909,699	99.15%	10,940,879	2.68%
OTHER CONTROLLING SHAREHOLDERS	12,879	0.01%	77,697,335	29.11%	30,83	0.16%	77,713,297	19.01%
MANAGEMENT*	-	0.00%	729,178	0.27%	-	0.00%	729,178	0.18%
OUTSTANDING SHARES	-	0.00%	185,560,042	69.52%	10,339	0.54%	185,570,381	45.38%
TOTAL	140,039,904	100.00%	266,926,398	100.00%	1,926,099	100.00%	408,892,401	100.00%

*__Management__ = Board of Executive Officers, Board of Directors

Reviews and Statements / Independent Auditor's Review Report – Unqualified

Report on the Quaterly Financial Information Review
To the Management and Shareholders of
Suzano Papel e Celulose S.A.

Introduction

We have reviewed the accompanying interim, individual and consolidated quarterly financial information of Suzano Papel e Celulose S.A. ("Company"), contained in the Quarterly Financial Information Form – ITR for the quarterly ended March 31, 2011, which comprised the balance sheet and related income statement, comprehensive income, statement of changes in equity and cash flow statement for the quarterly then ended, including the explanatory notes.

Management is responsible for the preparation and presentation of the individual quarterly financial information in accordance with the Technical Pronouncement CPC 21 – Interim financial reporting and consolidated interim quarterly financial information according to CPC 21 and the international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this information consistently with the rules issued by Brazilian Securities and Exchange Commission applicable to the preparation of the quarterly financial information – ITR. Our responsibility is to express a conclusion on this interim quarterly financial information based on our review.

Scope of Review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information included in the aforementioned quarterly financial information are not prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of Quarterly Financial Information – ITR and are fairly presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Conclusion on the consolidated financial interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information included in the aforementioned quarterly financial information are not prepared, in all their material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Financial Information – ITR and are fairly presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Other matters

Interim Statements of Value Added

We also have reviewed the individual and consolidated interim statements of value added ("DVA"), for the three-month period ended March 31, 2011, the presentation of which is required by the rules issues by CVM - Brazilian Securities and Exchange Commission applicable to the preparation of the Quarterly Financial Information - ITR and as supplemental information for IFRSs that does not require a presentation of DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that these statements are not fairly presented, in all their material respects, in relation to the individual and consolidated interim financial statements taken as a whole.

Salvador, May 10, 2011
Ernst & Young Terco Auditores Independentes S.S.
CRC 2SP01 5199/O-6-F-BA

Antonio Carlos Fioravante
Accountant CRC-1 SP1 84973/O-0/S-BA

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